



National Public Radio, Inc.

**Consolidated Financial Statements,
Supplemental Schedules, and
Independent Auditor's Report
As of and for the years ended
September 30, 2022 and 2021**

National Public Radio, Inc.

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Independent Auditor's Report

To the Board of Directors
National Public Radio, Inc.
Washington, D.C.

Opinion

We have audited the consolidated financial statements of National Public Radio, Inc. and its subsidiaries (hereinafter, "NPR"), which comprise the consolidated balance sheets as of September 30, 2022 and 2021, and the related consolidated statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of NPR as of September 30, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NPR and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NPR's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NPR's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NPR's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Other Matters

Supplementary Information

Our audits of the consolidated financial statements were conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

BDO USA, LLP

McLean, Virginia
January 11, 2023

Consolidated Financial Statements

National Public Radio, Inc.

Consolidated Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 8,853,423	\$ 18,420,078
Restricted cash	3,068,060	3,253,557
Accounts receivable, net	40,886,602	45,062,850
Pledges receivable, net	16,268,014	20,323,695
Investments	491,759,045	533,844,518
Property and equipment, net	200,287,952	199,689,448
Operating lease right-of-use assets	9,545,443	10,858,821
Prepaid expenses and other assets	9,218,211	6,464,712
Goodwill	364,581	546,861
Total assets	\$ 780,251,331	\$ 838,464,540
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 15,344,252	\$ 15,468,398
Accrued compensation, benefits, and taxes	21,229,859	24,865,715
Acquired programming obligations	3,591,392	5,114,939
Deferred revenue	24,000,394	22,341,072
Accrued interest payable	2,803,767	2,827,494
Other liabilities	2,909,182	2,183,412
Conditional contribution refundable advances	2,255,984	1,995,879
Operating lease liabilities	11,525,185	12,274,126
Bonds payable	185,680,000	188,980,000
Total liabilities	269,340,015	276,051,035
Commitments and contingencies		
Net assets		
Net assets without donor restrictions:		
Undesignated	56,888,969	50,712,334
Board-designated	88,095,870	101,457,012
Noncontrolling interest	1,203,902	1,287,703
Total net assets without donor restrictions	146,188,741	153,457,049
Net assets with donor restrictions	364,722,575	408,956,456
Total net assets	510,911,316	562,413,505
Total liabilities and net assets	\$ 780,251,331	\$ 838,464,540

See accompanying notes to the consolidated financial statements.

National Public Radio, Inc.
Consolidated Statements of Activities

<i>Years ended September 30,</i>	2022	2021
Changes in net assets without donor restrictions		
Revenues, gains, and other support		
Revenue from contracts with customers:		
Core and other programming fees	\$ 93,289,053	\$ 90,406,977
Corporate sponsorships	135,292,987	121,744,823
Public Radio Satellite System contract	3,303,650	5,734,211
Satellite interconnection and distribution	8,818,684	8,700,430
Commercial programming distribution	8,289,054	1,871,313
Commissions	4,401,430	3,921,667
Licensing of intellectual property	2,789,631	3,452,544
Other	4,814,175	3,801,685
Total revenue from contracts with customers	260,998,664	239,633,650
Contributions of cash and other financial assets	26,251,889	24,018,012
Return on investments, net	(9,015,030)	14,627,839
Contributions of nonfinancial assets	2,357,919	2,579,597
Miscellaneous	525,889	619,653
Change in investment in subsidiary	—	(170,298)
Net assets released from donor restrictions	27,970,600	28,385,230
Total revenues, gains, and other support	309,089,931	309,693,683
Expenses and losses		
Program services:		
Content production and distribution	176,966,423	156,363,063
Digital, content support, and other	34,315,394	30,450,393
Total program services	211,281,817	186,813,456
Supporting services:		
Management and general	63,563,734	55,554,253
Fundraising	5,632,298	5,452,193
Facilities and Information Technology	35,796,390	31,886,228
Total supporting services	104,992,422	92,892,674
Total expenses and losses	316,274,239	279,706,130
(Decrease) increase in net assets without donor restrictions	(7,184,308)	29,987,553
Changes in net assets with donor restrictions		
Contributions of cash and other financial assets	11,315,565	15,053,805
Split-interest agreement contributions	178,020	—
Return on investments, net	(27,756,866)	73,870,022
Net assets released from donor restrictions	(27,970,600)	(28,385,230)
(Decrease) increase in net assets with donor restrictions	(44,233,881)	60,538,597
Change in net assets	(51,418,189)	90,526,150
Net assets, beginning of year	562,413,505	472,016,155
Minus: Distributions to noncontrolling interest	(84,000)	(128,800)
Net assets, end of year	\$ 510,911,316	\$ 562,413,505

See accompanying notes to the consolidated financial statements.

National Public Radio, Inc.

Consolidated Statements of Changes in Net Assets

	Net assets without donor restrictions			Net assets with donor restrictions	Total
	Parent	Noncontrolling Interest	Total		
Net assets, October 1, 2020	\$ 122,254,017	\$ 1,344,279	\$ 123,598,296	\$ 348,417,859	\$ 472,016,155
Plus: Change in net assets for the year ending September 30, 2021	29,915,329	72,224	29,987,553	60,538,597	90,526,150
Minus: Distribution to Noncontrolling Interest	—	(128,800)	(128,800)	—	(128,800)
Net assets, September 30, 2021	152,169,346	1,287,703	153,457,049	408,956,456	562,413,505
(Minus) Plus: Change in net assets for the year ending September 30, 2022	(7,184,507)	199	(7,184,308)	(44,233,881)	(51,418,189)
Minus: Distribution to Noncontrolling Interest	—	(84,000)	(84,000)	—	(84,000)
Net assets, September 30, 2022	\$ 144,984,839	\$ 1,203,902	\$ 146,188,741	\$ 364,722,575	\$ 510,911,316

See accompanying notes to the consolidated financial statements.

National Public Radio, Inc.

Consolidated Statements of Functional Expenses

<i>Year ended September 30,</i>	Program Services			Supporting Services				2022
	Content production and distribution	Digital, content support, and other	Total program services	Management and general	Fundraising	Facilities and Information Technology	Total supporting services	
Compensation, benefits, and taxes	\$121,521,523	\$20,117,720	\$141,639,243	\$ 44,318,909	\$ 4,753,758	\$10,620,265	\$ 59,692,932	\$201,332,175
Content acquisition and production	37,611,007	11,821	37,622,828	143,270	26	12,189	155,485	37,778,313
Miscellaneous contracted services	2,825,874	8,224,697	11,050,571	8,657,393	436,751	3,607,257	12,701,401	23,751,972
Facility lease, utilities, taxes, and related expenses	1,242,171	—	1,242,171	1,145,833	3,319	3,686,602	4,835,754	6,077,925
Connectivity, supplies, postage, and other office expenses	1,373,991	632,033	2,006,024	1,287,431	85,278	1,904,625	3,277,334	5,283,358
Satellite space and equipment	1,912,729	—	1,912,729	—	—	—	—	1,912,729
Repairs and maintenance	693,344	—	693,344	59,771	—	3,117,291	3,177,062	3,870,406
Travel, conferences, meetings, and events	3,929,200	78,219	4,007,419	995,820	205,113	242,332	1,443,265	5,450,684
Marketing	55,558	2,626,759	2,682,317	4,270,020	6,202	—	4,276,222	6,958,539
Grants and assistance to third parties	1,089,732	—	1,089,732	120,000	—	—	120,000	1,209,732
Depreciation and amortization	334,354	259,136	593,490	572,617	—	6,844,018	7,416,635	8,010,125
Interest	—	—	—	—	—	5,630,785	5,630,785	5,630,785
Other	4,376,940	1,085,735	5,462,675	914,025	141,851	131,026	1,186,902	6,649,577
Total expenses before donated goods and services	176,966,423	33,036,120	210,002,543	62,485,089	5,632,298	35,796,390	103,913,777	313,916,320
Donated goods and services	—	1,279,274	1,279,274	1,078,645	—	—	1,078,645	2,357,919
Total expenses and losses	\$176,966,423	\$34,315,394	\$211,281,817	\$ 63,563,734	\$ 5,632,298	\$35,796,390	\$104,992,422	\$316,274,239

Continued on the next page

National Public Radio, Inc.

Consolidated Statements of Functional Expenses (Continued)

<i>Year ended September 30,</i>	Program Services			Supporting Services				
	Content production and distribution	Digital, content support, and other	Total program services	Management and general	Fundraising	Facilities and Information Technology	Total supporting services	2021
Compensation, benefits, and taxes	\$109,963,939	\$17,322,311	\$127,286,250	\$ 40,118,212	\$ 4,641,925	\$ 8,976,549	\$ 53,233,547	\$ 180,519,797
Content acquisition and production	32,360,108	2,287	32,362,395	44,270	—	125	44,395	32,406,790
Miscellaneous contracted services	1,909,764	7,841,138	9,750,902	7,924,722	235,163	3,239,294	11,399,179	21,150,081
Facility lease, utilities, taxes, and related expenses	1,591,151	—	1,591,151	1,035,686	8,628	3,590,853	5,038,406	6,629,557
Connectivity, supplies, postage, and other office expenses	2,886,825	577,463	3,464,288	1,110,315	84,262	1,650,191	2,844,768	6,309,056
Satellite space and equipment	1,423,606	—	1,423,606	—	—	—	—	1,423,606
Repairs and maintenance	605,277	128,856	734,133	35,982	—	4,124,289	4,160,271	4,894,404
Travel, conferences, meetings, and events	1,220,243	10,928	1,231,171	145,272	5,502	21,137	171,911	1,403,082
Marketing	101,538	2,295,380	2,396,918	1,497,704	4,416	—	1,502,120	3,899,038
Grants and assistance to third parties	542,405	—	542,405	—	334,000	—	334,000	876,405
Depreciation and amortization	535,241	271,135	806,376	662,737	—	7,355,433	8,018,170	8,824,546
Interest	—	—	—	—	—	2,827,494	2,827,494	2,827,494
Other	3,222,966	739,893	3,962,859	1,660,758	138,297	100,863	1,999,818	5,962,677
Total expenses before donated goods and services	156,363,063	29,189,391	185,552,454	54,235,658	5,452,193	31,886,228	91,574,079	277,126,533
Donated goods and services	—	1,261,002	1,261,002	1,318,595	—	—	1,318,595	2,579,597
Total expenses and losses	\$156,363,063	\$30,450,393	\$186,813,456	\$ 55,554,253	\$ 5,452,193	\$31,886,228	\$ 92,892,674	\$279,706,130

See accompanying notes to the consolidated financial statements.

National Public Radio, Inc.

Consolidated Statements of Cash Flows

Years ended September 30,	2022	2021
Cash flows from operating activities		
Change in net assets	\$ (51,418,189)	\$ 90,526,150
Adjustments to reconcile change in net assets to net cash provided (used in) by operating activities:		
Depreciation	7,827,845	8,642,266
Amortization of goodwill	182,280	182,280
Change in allowance for doubtful accounts	(556,897)	(80,067)
Change in discount on multi-year pledges receivable	(52,847)	6,946
Loss on impairment of investment in subsidiary	—	291,586
Change in investment in subsidiary	—	170,298
Contributed securities	(2,227,687)	(913,607)
Proceeds from sale of contributed securities	2,227,687	913,607
Contributions restricted for long-term investment	(807,398)	(183,000)
Net realized and unrealized losses (gains) on investments	39,522,080	(86,723,787)
Investment returns restricted for reinvestment	—	(42,276)
Noncash lease expense	1,313,378	310,200
Decrease (increase) in assets:		
Accounts receivable	4,733,145	(14,272,615)
Pledges receivable	4,108,528	(3,041,450)
Prepaid expenses and other assets	(2,506,281)	(944,041)
(Decrease) increase in liabilities:		
Accounts payable and accrued expense	2,325,135	1,894,908
Accrued compensation, benefits, and taxes	(3,635,856)	(4,879,944)
Acquired programming obligations	(1,523,547)	(1,260,565)
Deferred revenue	1,659,322	(4,464,753)
Accrued interest payable	(23,727)	2,827,494
Other liabilities	725,770	(833,916)
Conditional contribution refundable advances	260,105	891,945
Principal reduction in operating lease liabilities	(748,941)	1,105,105
Net cash provided by (used in) operating activities	1,383,905	(9,877,236)
Cash flows from investing activities		
Purchases of investments	(478,058,853)	(262,973,347)
Proceeds from sale and maturities of investments	480,622,246	273,112,239
Purchases of property and equipment	(10,875,630)	(6,590,981)
Return of investment in subsidiary, net	—	736,806
Net cash (used in) provided by investing activities	(8,312,237)	4,284,717
Cash flows from financing activities		
Proceeds from contributions restricted for:		
Investment in perpetual endowment	\$ 807,398	\$ 183,000
Investment subject to annuity trust agreements	(247,218)	(56,779)
Other financing activities:		
Investment returns restricted for reinvestment	—	42,276
Payments on bonds payable	(3,300,000)	—
Distribution to members	(84,000)	(128,800)
Net cash (used in) provided by financing activities	(2,823,820)	39,697
Change in cash, cash equivalents, and restricted cash	(9,752,152)	(5,552,822)
Cash, cash equivalents, and restricted cash, beginning of year	21,673,635	27,226,457
Cash, cash equivalents, and restricted cash, end of year	\$ 11,921,483	\$ 21,673,635

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National Public Radio, Inc.

Consolidated Statements of Cash Flows (Continued)

<i>Years ended September 30,</i>	2022	2021
Supplemental data		
Accrued purchases of property and equipment	\$ 273,576	\$ 2,722,857
Cash paid for interest	\$ 5,654,989	\$ —
Cash paid for income taxes	\$ 31,372	\$ 34,955
Operating lease assets obtained in exchange for new operating lease liabilities – Upon adoption:		
National Public Radio, Inc.	\$ —	\$ 6,762,294
National Public Media LLC	\$ —	\$ 536,932
Operating lease assets obtained in exchange for new operating lease liabilities – New lease:		
National Public Media LLC	\$ —	\$ 3,869,795

See accompanying notes to the consolidated financial statements.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 1—Description of the Company

National Public Radio, Inc. (“NPR Inc.”) a nonprofit membership corporation incorporated in 1970 following passage of the Public Broadcasting Act of 1967 (see 47 U.S.C. §396), works collaboratively with its member public radio station licensees to create a more informed public, one that is challenged and invigorated by a deeper understanding and appreciation of events, ideas, and cultures. NPR Inc. carries out its mission by producing, acquiring, and distributing noncommercial programming that meets the highest standards of public service in journalism and cultural expression; representing its member stations in matters of their mutual interest; and providing satellite interconnection for the entire public radio system.

NPR Inc. is governed by a 23-member Board of Directors (“NPR Inc. Board”) which consists of 12 individual member station managers who are elected by their fellow NPR Inc. members, and 11 other directors. The 11 other directors include NPR Inc.’s President, the Chairperson of the NPR Foundation (“Foundation”) Board of Trustees (“Foundation Board”), and nine prominent members of the public elected by the NPR Inc. Board and confirmed by NPR Inc. members. Eight of the nine director seats are filled.

Note 2—Summary of Significant Accounting Policies

A. Basis of Presentation

The consolidated financial statements exclude NPR Inc.’s members because those entities are legally and operationally distinct from NPR Inc. Included are the accounts of NPR Inc. and the following wholly owned or controlled entities:

- **American Coalition for Public Radio (“ACPR”)**—Incorporated in 2017, ACPR supports the educational mission of publicly-funded, noncommercial, educational radio stations, networks, and systems (collectively, “Public Radio”). ACPR’s principal activities focus on soliciting and disseminating information about Public Radio by way of ProtectMyPublicMedia.org and related social media channels. ProtectMyPublicMedia.org and the related social media channels also include selected examples of Public Radio content and encourage the public to share their views about Public Radio publicly and with their elected representatives. ProtectMyPublicMedia.org and the related social media channels are co-owned and co-managed by ACPR and APTS Action, Inc., an organization affiliated with America’s Public Television Stations (“APTS”). ACPR is not affiliated with either APTS or APTS Action, Inc.

ACPR also operates the noncomMUSIC Alliance and disseminates information through noncommusic.org and related social media channels. The noncomMUSIC Alliance is a group of Public Radio music stations, musicians, and other organizations dedicated to providing information about the work of Public Radio as an essential component of music discovery, curation, preservation, performance, and community and helping Public Radio music stations serve their communities.

ACPR is governed by a three-member Board of Directors which is currently composed of two senior staff members from NPR Inc. and one non-staff member appointed by the Chairperson of the NPR Inc. Board (presently, a former NPR Inc. Board member and current Foundation Board member).

In 2022, NPR Inc. provided most of ACPR’s financial support; in 2021, NPR Inc. provided all financial support to ACPR.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 2—Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

- **Foundation**—Incorporated in 1992, the Foundation is a nonprofit supporting organization organized and operated exclusively for the benefit of its sole member, NPR Inc. The Foundation supports NPR Inc. through various activities such as soliciting charitable contributions, conducting fundraising events, and managing an endowment fund for the benefit of NPR Inc.

The Foundation disburses funds it raises and earns on the endowment to NPR Inc. for the operation, promotion, development, capital expansion, and other valid purposes of NPR Inc. subject to donor restrictions.

The Foundation is governed by a board of up to 60 elected Trustees. Additionally, NPR Inc.'s President, the NPR Inc. Board Chairperson, and the Chairperson of the NPR Inc. Board's Development Committee are ex officio Trustees of the Foundation. NPR Inc.'s President and Board Chairperson are also NPR Inc.'s official voting representatives on the Foundation Board. Furthermore, certain provisions of the Foundation's Bylaws may only be amended or repealed by an affirmative vote of NPR Inc., provided such action is authorized, in advance, by a two-thirds vote cast at a meeting, duly called, and at which a quorum was present, of the NPR Inc. Board.

- **NPR Asset Holding Company, Inc. ("NPAHC Inc.")**—Incorporated in 2018, NPAHC Inc. is a wholly owned, taxable corporation which holds interests in commercial entities on behalf of NPR Inc. NPAHC Inc. is governed by a three-member Board of Directors which is currently composed of two senior staff members from NPR Inc. and one non-staff member (presently, a former NPR Inc. Board member and current Foundation Board member).
- **NPR International Operations, Inc. ("NPRIO")**—Incorporated in 2021, NPRIO is a nonprofit supporting organization organized and operated exclusively for the benefit of its sole member, NPR Inc. NPRIO supports NPR Inc.'s international newsgathering operations. NPRIO is governed by a three-member Board of Directors which is currently composed of three senior staff members from NPR Inc.
- **National Public Media LLC ("NPM")**—Formed in 2007, NPM secures public broadcasting and digital sponsorship for public radio and television entities, and other like-minded entities, including NPR Inc. and certain of NPR's Inc.'s members.

NPM is governed by NPAHC Inc., GBH Educational Foundation ("GBH"), and Public Broadcasting Service ("PBS"). Each member elected a manager, and the three managers collectively comprise the NPM Board of Managers ("NPM Board"). Member capital percentages are 72%, 18% and 10%, for NPAHC Inc., GBH, and PBS, respectively, as of September 30, 2022 and 2021. NPAHC Inc. controls NPM's Board due to its majority ownership. Subject to each party's voting rights, GBH and PBS hold equal positions on the NPM Board. Depending upon the specific nature of a decision, GBH and/or PBS have select veto rights over certain material activities as more fully described in the limited liability company formation agreement, as amended.

- **1111 JW, LLC ("1111 JW")**—Formed in 2021, 1111 JW produces a podcast that is distributed by NPR Inc. 1111 JW is a single member limited liability company, and NPAHC Inc. is its sole member. 1111 JW is governed by a three-member Board of Directors which is currently composed of two senior staff members from NPAHC Inc. and one non-staff member (presently, a former NPR Inc. Board member and current Foundation Board member).

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 2—Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

- **1111 Media Enterprises, LLC (“1111 Media Enterprises”)**—Formed in 2021, 1111 Media Enterprises will pursue commercial ventures and opportunities to produce, license, distribute content, and otherwise support the activities of NPR Inc. and its member stations. 1111 Media Enterprises is a single member limited liability company, and NPRAHC Inc. is its sole member. 1111 Media Enterprises is governed by a three-member Board of Directors which is currently composed of two senior staff members from NPRAHC Inc. and one non-staff member (presently, a former NPR Inc. Board member and current Foundation Board member).

Unless otherwise noted, management refers to NPR Inc. and the consolidated entities herein as “NPR.” Intercompany accounts and transactions have been eliminated.

B. Preparation

Estimates and assumptions—The preparation of the consolidated financial statements and accompanying notes in conformity with U.S. generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses during the reporting period as well as the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates and assumptions used by NPR relate to the valuation of certain investments without readily determinable fair values, determination of the fair value of certain financial instruments, the calculation of allowances for uncollectible accounts and pledges receivables, the determination of discount rates for long-term pledges receivable and lease liabilities, the evaluation of goodwill for impairment, and the determination of the useful lives of depreciable and amortizable assets. Actual results could differ from those estimates.

Changes to fiscal year 2021 comparative financial information—Certain prior year amounts in the consolidated financial statements and accompanying notes have been reclassified to conform to the current year presentation.

Accounting pronouncements adopted—In 2022, management adopted Financial Accounting Standards Board’s (“FASB”) Accounting Standards Updates (“ASU”) No. 2020-01, *Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)—Clarifying the Interactions between Topic 321, Topic 323, and Topic 815*. The update clarifies that a company should consider observable transactions when evaluating whether to continue to apply or discontinue the equity method of accounting under Topic 323, Investments—Equity Method and Joint Ventures. The adoption of this standard did not materially impact the consolidated financial statements.

Accounting pronouncements not yet adopted—In January 2016, the FASB issued ASU 2016-01, *Financial Instruments—Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities*. The update improves how entities account for equity investments, present and disclose financial instruments, and measure the valuation allowance on deferred tax assets related to available-for-sale debt securities. In November 2018, the FASB issued ASU 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*, which deferred the effective date from NPR’s fiscal year 2019 to 2023. Management continues to evaluate the potential impact of this update.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 2—Summary of Significant Accounting Policies (Continued)

B. Preparation (Continued)

Accounting pronouncements not yet adopted (Continued)—In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (“ASU 2016-13”), which it clarified and updated through the following ASUs (collectively, “ASC Topic 326”):

- ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*
- ASU No. 2019-04, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*
- ASU No. 2019-05, *Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief*
- ASU No. 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*
- ASU No. 2019-11, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*
- ASU No. 2022-02, *Financial Instruments—Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*

ASC Topic 326 changes the impairment model for most financial assets measured at amortized cost, as well as certain other instruments, from an incurred loss model to an expected loss model. As a result, companies will be required to recognize credit losses on financing receivables and other financial assets earlier than previously stipulated and for the entire contractual term of an instrument. The update applies to financial assets recorded at amortized cost basis (e.g., loan receivables, trade and certain other receivables, off-balance sheet credit exposures such as loan commitments and financial guarantees) but does not apply to financial assets measured at fair value (e.g., promises to give/pledges receivable; loans and receivables between entities under common control). ASC Topic 326 is effective for NPR’s fiscal year 2024. Management continues to evaluate the potential impact of this update.

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805) Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. The update improves the accounting for revenue contracts with customers acquired in a business combination by addressing diversity in practice and inconsistency related the recognition of an acquired contract liability, and payment terms and their effect on subsequent revenue recognized by the acquirer. This update is effective for NPR’s fiscal year 2025. Management continues to evaluate the potential impact of this update.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The update clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The update also requires disclosures for equity securities subject to contractual sale restrictions. The update is effective for NPR’s fiscal year 2025. Management continues to evaluate the potential impact of this update.

C. Basis of Accounting

For financial reporting purposes, and based on the existence or absence of legal or donor-imposed restrictions, NPR classifies resources as follows:

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 2—Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

- **Net assets without donor restrictions**—Resources that are free of donor-imposed restrictions. All revenues, gains, and losses that are not restricted by donors, and all expenses, excluding investment-related expenses, are included in this category. Investment-related expenses are netted against return on investments in the appropriate net asset category.

“Board-designated” amounts included in net assets without donor restriction in the Consolidated Balance Sheets are:

September 30,	2022	2021
Public Radio Satellite System (“PRSS”) activities	\$ 7,915,884	\$ 9,955,239
Liquidity reserves	80,179,986	91,501,773
Total board-designated amounts	\$ 88,095,870	\$ 101,457,012

- **Net assets with donor restrictions**—Resources that are subject to donor-imposed restrictions that will be satisfied by the actions of NPR Inc., the Foundation, ACPR or NPRIO or the passage of time. These net assets include donor restricted endowments, unconditional pledges, and charitable gift annuity split interest agreements. Generally, a donor’s-imposed restrictions on the use of these assets permit NPR Inc., the Foundation, ACPR or NPRIO to use all or a portion of the income earned on related investments only for certain general or specific purposes.

D. Fair value measurements

Fair value measurements reflected in the consolidated financial statements represent the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. GAAP provides a hierarchy that prioritizes the inputs to fair value measurements based on the extent to which inputs to valuation techniques are observable in the marketplace. The hierarchy assigns a higher priority to observable inputs that reflect verifiable information obtained from independent sources, and a lower priority to unobservable inputs that would reflect NPR’s assumptions about how market participants would value an asset or liability based on the best information available. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the hierarchy of inputs used to measure fair value are described briefly as follows:

- **Level 1**—Unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date.
- **Level 2**—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, at the measurement date. Level 2 also includes investments redeemable on or near the measurement date.
- **Level 3**—Unobservable inputs for the asset or liability, used in situations in which little or no market activity exists for the asset or liability at the measurement date. Level 3 also includes alternative investments not redeemable near the measurement date.

The categorization of fair value measurements by level of the hierarchy is based upon the lowest level input that is significant to the overall fair value measurement for a given asset or liability.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 2—Summary of Significant Accounting Policies (Continued)

D. Fair value measurements (Continued)

If changes in the inputs used in the fair value measurement of an asset or liability result in a transfer between fair value hierarchies, such transfers are recognized at the end of the reporting period.

E. Cash, cash equivalents, and restricted cash

Cash and cash equivalents include demand deposits as well as amounts in temporary overnight investments, in interest and non-interest-bearing liquid investment accounts, and in money market accounts with maturities of ninety days or less at the date of acquisition. Cash and cash equivalents that are part of NPR's investment portfolio are included in "Investments" in the Consolidated Balance Sheets (see Note 5) because those amounts are not considered available for operating needs. Cash and cash equivalents are carried at cost.

At September 30, 2022 and 2021, NPR had \$34,453,415 and \$7,167,343, respectively, of demand deposits in excess of the federal deposit insurance limit. Although these funds exceeded the federal deposit insurance limit, NPR believes there is minimal risk of loss given the strength of the financial institutions in which the deposits are held.

Restricted cash consists of amounts deposited to satisfy interest obligations on NPR Inc.'s bonds payable (see Note 7(A)); a deposit held as collateral for a standby letter of credit on NPM's New York office lease agreement (see Note 10(F)); and demand deposits under the control of the NPR Inc. Board).

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Consolidated Balance Sheets that sum to the total shown in the Consolidated Statements of Cash Flows.

September 30,	2022	2021
Cash and cash equivalents	\$ 8,853,423	\$ 18,420,078
Restricted cash	3,068,060	3,253,557
Total cash, cash equivalents, and restricted cash	\$ 11,921,483	\$ 21,673,635

F. Accounts receivable

Accounts receivable represents amounts due to NPR because of NPR's satisfaction of performance obligations. Accounts receivable is comprised principally of amounts owed by corporate sponsors, public radio stations for core services and programming, and customers for commissions, and other services provided by NPR.

NPR records an allowance for doubtful accounts based on its determination of the likelihood of collection for each receivable considering the age of the receivable and other factors that would impact collection. "Accounts receivable" in the Consolidated Balance Sheets are shown net of an allowance for doubtful accounts totaling \$1,797,912 and \$2,354,809 as of September 30, 2022 and 2021, respectively. Uncollectible amounts are written off when all efforts to collect these receivables have been exhausted.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 2—Summary of Significant Accounting Policies (Continued)

G. Pledges receivable

Pledges to be received after one year are discounted to present value. NPR Inc. and the Foundation use discount rates that approximate U.S. Treasury borrowing rates from the fiscal year in which the pledge was received based on the respective duration of the donor's payment plan. Amortization of the discount is recorded as additional contribution revenue.

NPR Inc. and the Foundation record an allowance for uncollectible pledges receivable based on a determination of the likelihood of collection for each pledge receivable balance considering the age of the receivable and other factors that would impact collection. Uncollectible amounts are written off when all efforts to collect these receivables have been exhausted.

H. Property and equipment

Property and equipment includes land, technical equipment and software, building and improvements, office furniture, and vehicles. Property and equipment are stated at cost on the dates of acquisition, or if donated, at fair value on the dates of donation.

NPR Inc. capitalizes property and equipment, excluding software to be sold, leased or otherwise marketed, with costs aggregating \$1,000 or more. NPR Inc. capitalizes software intended to be sold, leased or otherwise marketed with costs aggregating \$500,000 or more. Depreciation is computed for all property and equipment except land using the straight-line method over the assets' estimated useful lives. NPR Inc. uses a mid-month convention and NPM uses a full-month convention.

The following table provides the estimated useful lives for each asset class.

Asset Class	Estimated useful lives
Technical equipment	Three to 15 years
Software intended to be sold, leased or otherwise marketed	Greater of five years or the percentage of the product's current year revenues to its anticipated future revenues for software
Buildings	10 to 50 years
Building improvements	Shorter of the remaining useful life of the building or the life of the improvement for improvements
Office furniture	Five to eight years
Vehicles	Five years

I. Inventory

Inventory, which is included in "Prepaid expenses and other assets" in the Consolidated Balance Sheets, is carried at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the reasonably predictable cost of completion, disposal, and transportation. Item costs are determined using the first-in, first-out method.

September 30,	2022	2021
Equipment purchased for resale to participants in the PRSS	\$ 141,215	\$ 178,608
Merchandise held for sale	81,285	679,809
Total inventory	\$ 222,500	\$ 858,417

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 2—Summary of Significant Accounting Policies (Continued)

I. Inventory (Continued)

In 2022, NPR Inc. outsourced the design, production, and fulfillment of its merchandise held for sale. Management concluded that most of the inventory was impaired and wrote-off \$330,565. The write-off is included in “Digital, content support, and other” in the Consolidated Statements of Activities, and in “Other” in the Consolidated Statements of Functional Expenses.

J. Investment in Podcast Media LLC

NPRAHC Inc. was an investor in Podcast Media LLC (“Podcast Media”), a Delaware limited liability company governed by NPRAHC Inc., New York Public Radio, Chicago Public Media, Inc., and BBC Studios Americas, Inc. In December 2020, the member managers agreed to sell *Pocket Casts*, the sole asset of Podcast Media. At that time, NPRAHC, Inc. concluded that its investment in Podcast Media was impaired and wrote-off the balance of its investment.

In July 2021, Podcast Media consummated a sale of *Pocket Casts* to a third-party, and each member of the management received a capital distribution from the proceeds of the sale. At that time, NPRAHC recalculated its impairment loss and reduced the amount by the capital distribution received. The final impairment loss totaled \$291,586 and is included in “Management and general” in the Consolidated Statements of Activities, and in “Other” in the Consolidated Statements of Functional Expenses.

NPRAHC Inc. used the equity method to account for its interest in Podcast Media. The roll-forward of NPRAHC Inc.’s investment in Podcast Media is:

Years ended September 30,	2022	2021
Investment in Podcast Media, beginning of year	\$ —	\$ 1,198,690
Plus: Member capital contributions	—	76,165
Minus: Member capital distributions	—	(812,971)
Minus: Share of Podcast Media’s net loss through December 31, 2020, the date of impairment	—	(170,298)
Minus: Impairment loss	—	(291,586)
Investment in Podcast Media, end of year	\$ —	\$ —

The dissolution of Podcast Media will be completed in 2023.

K. Goodwill

Goodwill represents the excess of the purchase price over the net amount assigned to identifiable assets acquired and liabilities assumed in the purchase of National Public Broadcasting, Inc. and formation of NPM in 2007. NPR performed a qualitative assessment test to determine if indicators of impairment existed and concluded that no goodwill impairment had occurred as of September 30, 2022. NPR is amortizing goodwill over a period of six years. Goodwill, which originally totaled \$1,822,832, is reported in the Consolidated Balance Sheets net of accumulated amortization totaling \$1,458,251 and \$1,275,971 as of September 30, 2022 and 2021. Amortization expense totaled \$182,280 in 2022 and 2021, respectively, and is included in “Management and general” in the Consolidated Statements of Activities, and “Depreciation and amortization” in the Consolidated Statements of Functional Expenses.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 2—Summary of Significant Accounting Policies (Continued)

L. Leases

NPR Inc. and NPM adopted FASB ASU No. 2016-02, Leases (Topic 842) (“ASU 2016-02”), and the additional ASUs issued to clarify and update the guidance in ASU 2016-02 (collectively, “ASC Topic 842”) on October 1, 2020 (the “Adoption Date”).

Leases arise from contractual obligations that convey the right to control the use of identified property, plant, or equipment for a period in exchange for consideration. At the inception of the contract, NPR Inc. and NPM determine if an arrangement contains a lease based on whether there is an identified asset and whether either NPR Inc. or NPM controls the use of the identified asset. NPR Inc. and NPM also determine whether the lease classification is an operating or financing lease at the commencement date.

A right-of-use asset represents either NPR Inc.’s or NPM’s right to use an underlying asset and a lease liability represents either NPR Inc.’s or NPM’s obligation to make payments during the lease term. Right-of-use assets are recorded and recognized at commencement for the lease liability amount, adjusted for initial direct costs incurred and lease incentives received. Lease liabilities are recorded at the present value of the future lease payments over the lease term at commencement. The implicit rates for NPR Inc.’s and NPM’s leases are not readily determinable; therefore, NPR Inc. and NPM elected to use a risk-free discount rate at the lease commencement date for all new leases and at the Adoption Date.

NPR Inc.’s and NPM’s real estate operating leases typically include non-lease components such as common-area maintenance costs, utilities, and other maintenance costs. NPR Inc. and NPM elected to combine non-lease components with lease payments for the purpose of calculating lease right-of-use assets and liabilities to the extent that they are fixed or variable, based on an index or rate. Non-lease components that are neither fixed nor variable based on an index or rate are expensed as incurred as variable lease payments.

Certain NPR Inc. and NPM leases contain options to extend the lease term at prevailing market rates at the time of the renewal. Because management cannot predict the future economic landscape, it is not reasonably certain to exercise the extension options. Therefore, NPR Inc. and NPM use the base, non-cancelable, lease term when recognizing the lease assets and liabilities. NPR Inc.’s and NPM’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As a matter of policy, NPR Inc. and NPM elected to exclude leases with terms of 12 months or less (“Short-Term”) from the Consolidated Balance Sheets. Short-Term lease expense is recognized on a straight-line basis over the expected term of the lease. NPR Inc. had two Short-Term leases as of September 30, 2022 and 2021. NPM had one Short-Term lease as of September 30, 2022 and 2021; however, this lease was eliminated upon consolidation because the lessor is NPR Inc.

For contracts existing as of the Adoption Date, NPR Inc. and NPM elected the practical expedient and did not reassess whether any expired or existing contracts are considered or contain leases, lease classification for any expired or existing leases, and initial direct costs for any existing leases. NPR Inc. and NPM do not have leases that contain land easements; therefore, neither elected the related optional practical expedient.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 2—Summary of Significant Accounting Policies (Continued)

L. Leases (Continued)

For NPR Inc. and NPM, the adoption of ASC Topic 842 resulted in the following as of the Adoption Date:

	NPR Inc.		NPM		Total
Recognition of:					
Operating lease right-of-use assets	\$ 6,762,294	\$	536,932	\$	7,299,226
Operating lease liabilities	\$ 8,214,280	\$	579,839	\$	8,794,119
Derecognition of:					
Deferred rent	\$ 253,427	\$	42,907	\$	296,334
Deferred tenant improvements	\$ 513,706	\$	—	\$	513,706

M. Charitable gift annuity split-interest agreements

Split-interest agreements with donors consist of charitable gift annuities for which NPR Inc. holds the assets. Assets held for the annuitants and state-mandated reserves totaled \$733,523 and \$486,305 as of September 30, 2022 and 2021, respectively. These assets are included in “Prepaid expenses and other assets” in the Consolidated Balance Sheets.

Contribution revenue is recognized on the date NPR Inc. establishes the donor accounts, after recording liabilities for the present value of the estimated future payments to be made to the donors and/or other beneficiaries.

Where required by state laws and statutes, NPR Inc. maintains separate annuitant asset accounts, reserves, and specific investment allocations. At September 30, 2022 and 2021, NPR Inc. had satisfied all state reserve requirements.

NPR Inc. records charitable gift annuity split-interest agreement liabilities at fair value using the appropriate actuarial rate, adjusted by an annuity adjustment factor, provided in the Internal Revenue Code of 1986, as amended (“Code”) and the 2012 Individual Annuity Reserve Table. Each year, NPR Inc. adjusts the estimated liability to reflect changes in the life expectancy of the donor (or other beneficiary) and amortization of the discount in subsequent periods. This annual estimated liability change is recorded in “Miscellaneous” in the Consolidated Statements of Activities.

At September 30, 2022 and 2021, NPR Inc.’s charitable gift annuity split-interest agreement liabilities totaled \$496,406 and \$218,976, respectively. These liabilities are reported in “Other liabilities” in the Consolidated Balance Sheets.

N. Deferred revenue

Deferred revenue consists of the following:

September 30,	2022	2021
Prepaid core and programming fees	\$ 19,285,062	\$ 18,833,316
Prepaid corporate sponsorships	1,021,811	2,091,258
Prepaid satellite interconnection and distribution fees	1,317,540	1,300,681
Other	2,375,981	115,817
Total deferred revenue	\$ 24,000,394	\$ 22,341,072

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 2—Summary of Significant Accounting Policies (Continued)

N. Deferred revenue (Continued)

Of the 2021 deferred revenue balance, NPR recognized \$19,862,490 (or 89%) during 2022. Similarly, of the 2020 deferred revenue balance, NPR recognized \$22,622,518 (or 93%) during 2021. Other changes in deferred revenue resulted from normal timing differences between the satisfaction of performance obligations, payments received, and the number of customers who elected to prepay core and programming fees.

O. Conditional contribution refundable advances

A transfer of cash that is related to a conditional contribution is accounted for as a refundable advance until the condition(s) have either been substantially met or explicitly waived by the donor.

P. Contributions of nonfinancial assets

During 2022 and 2021, contributed nonfinancial assets recognized within the Consolidated Statements of Activities, none of which had donor-imposed restrictions, included:

<i>Years ended September 30,</i>	2022	2021
Subscriptions	\$ 1,279,274	\$ 1,261,002
Professional services	681,945	941,270
Health clinic services	396,700	377,325
Contributed nonfinancial assets	\$ 2,357,919	\$ 2,579,597

Subscription services comprise various periodicals and databases to which NPR Inc. has access in support of research activities. Professional services comprise attorneys who advise NPR Inc. on various legal matters. Health clinic services comprise medical support provided in the onsite employee clinic located in NPR Inc.'s headquarters facility.

For all services, NPR Inc. valued and reported the contributed services at the estimated fair value based on current rates for similar services (e.g., for professional services, current hourly attorney rates for similar advice).

NPR Inc. receives other contributed services from volunteers in connection with its operations. These services do not meet the requirement to be recognized in the Consolidated Statements of Activities.

Q. Functional allocation of expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Functional Expenses based on departmental classification. "Content production and distribution" represents expenses incurred by NPR Inc.'s News and Information, Programming, Engineering, NPR Music, and Distribution divisions.

"Digital, content support, and other" program services represent expenses incurred by NPR Inc.'s Digital, Content Support, Member Partnership, and Consumer Products divisions.

In the Consolidated Statements of Functional Expenses, NPR allocated certain fringe benefit expenses that are attributable to one or more program or supporting functions. These expenses include accrued vacation, workers compensation premiums, benefits administration services, and other company-wide employee benefits. NPR allocated these expenses based on direct salaries.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 2—Summary of Significant Accounting Policies (Continued)

R. Impairment of long-lived assets

NPR reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced, through a nonoperating charge to its current fair value. There were no impairment losses in either 2022 or 2021.

S. Income taxes

Tax Status—NPR Inc., the Foundation, and NPRIO are exempt from federal income taxes to the extent provided in Section 501(c)(3) of the Code. ACPR is exempt from federal income taxes to the extent provided in Section 501(c)(4) of the Code. Each organization is liable for income tax on unrelated business activities as described in Section 512 of the Code.

NPRAHC Inc. is a taxable corporation and records current taxes payable or receivable in the period that income becomes taxable using the asset-and-liability method of accounting for deferred income taxes. Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the carrying amount of existing assets and liabilities and their tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using tax rates expected to be applicable to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax asset and liabilities of a change in tax rates is recognized in nonoperating income in the period that includes the enactment date.

NPM is treated as a partnership for federal income tax purposes. Each member is, therefore, separately liable for any related taxes thereon. Accordingly, no provision for federal income tax has been made.

for federal income tax purposes, the activity of 1111 JW and 1111 Media Enterprises is included in NPRAHC Inc.'s corporate income tax return as NPRAHC Inc. is the single member of each.

NPM, 1111 JW, and 1111 Media Enterprises are, however, liable for income taxes in certain states and local jurisdictions where the companies operate. Accrued state and local income taxes totaled \$10,000 on September 30, 2022, and 2021. The liability, which is applicable to NPM only, is included in "Accounts payable and accrued expenses" in the Consolidated Balance Sheets.

Net Operating Loss ("NOL") Carryforwards—For the years ended September 30, 2022 and 2021, ACPR, the Foundation, NPR Inc., NPRIO, and NPRAHC Inc. had no tax expense. Additionally, there were no material income-related interest or penalties recorded in either fiscal year. NOL carry-forwards for NPR Inc., the Foundation, and NPRAHC, Inc. are:

September 30,	2022	2021
NPR Inc. ¹	\$ 15,664,955	\$ 18,189,375
Foundation ¹	\$ 2,242,309	\$ 1,707,899
NPRAHC Inc.	\$ 1,054,053	\$ 641,279

¹ Because NPR Inc. and the Foundation file their respective informational returns nearly one year in arrears, the NOL carry-forwards below are as of the end of the preceding fiscal year (e.g., in 2022, the NOL carry-forward represents the amount as of September 30, 2021).

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 2—Summary of Significant Accounting Policies (Continued)

S. Income taxes (Continued)

Net Operating Loss (“NOL”) Carryforwards (Continued)—The NOL carryforwards for NPR Inc., the Foundation, and NPRAHC Inc. break down as follows:

September 30, 2022	NPR Inc.	Foundation	NPRAHC Inc.
Rolling expiration dates through			
September 30, 2038	\$ 12,643,767	\$ 549,699	\$ —
Indefinite carryforward	\$ 3,021,188	\$ 1,692,610	\$ 1,054,053

September 30, 2021	NPR Inc.	Foundation	NPRAHC Inc.
Rolling expiration dates through			
September 30, 2038	\$ 15,439,160	\$ 549,699	\$ —
Indefinite carryforward	\$ 2,750,215	\$ 1,158,200	\$ 641,279

As management is uncertain whether it will realize the benefit from its NOLs, no deferred tax asset has been recorded as of September 30, 2022 and 2021.

Uncertain tax positions—The effects of a tax position cannot be recognized in the consolidated financial statements unless it is “more-likely-than-not” to be sustained based solely on its technical merits as of the reporting date. The more-likely-than-not threshold represents a positive assertion by management that NPR is entitled to the economic benefits of a tax position.

If a tax position is not considered more-likely-than-not to be sustained based solely on its technical merits, no benefits of the position are to be recognized. Moreover, the more-likely-than-not threshold must continue to be met in each reporting period to support continued recognition of a benefit. As of September 30, 2022, there were no uncertain tax positions for which a liability should be recorded.

T. Reorganization costs

During 2022, NPM management executed a restructuring which resulted in involuntary separations. These actions were designed to reduce administrative costs, eliminate excess capacity, and align resources with NPM’s strategic plan. As of September 30, 2022, reorganization expense totaled \$328,003 and the remaining liability associated with the reorganization activities totaled \$256,665. The liability is included in “Accrued compensation, benefits, and taxes” in the Consolidated Balance Sheets.

U. Subsequent events

NPR evaluated subsequent events from the date of the Consolidated Balance Sheet through January 11, 2023, the date on which NPR’s consolidated financial statements were issued. No material subsequent events were identified for either recognition or disclosure.

Note 3—Revenue Recognition

NPR’s significant revenue recognition policies relative to its two primary sources of revenue, contracts with customers and contributions, are outlined below.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 3—Revenue Recognition (Continued)

A. Contracts with customers

NPR generates revenue from the sale of both services and products. Revenue is recognized when the organization satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration management expects to receive in exchange for the services or products. Invoices are generally due within 30 days of the invoice date.

NPR Inc. and NPM expense incremental costs to obtain a contract (e.g., such as sales commissions, general and administrative costs not chargeable to a customer, and costs that cannot be assigned to a performance obligation) when incurred because the amortization period would have been one year or less. These costs are recorded within “Compensation, taxes, and benefits” and “Contracted Services” in the Consolidated Statements of Activities.

NPR Inc. and NPM do not disclose the value of unsatisfied performance obligations for either contracts with an original expected length of one year or less or contracts for which NPR Inc. and NPM recognize revenue at the amount to which it has the right to invoice for services performed.

Core and Other programming fees revenue—Core and other programming fees revenue includes:

<i>Years ended September 30,</i>	2022	2021
Core fees	\$ 75,360,189	\$ 73,554,479
Other programming fees	17,928,864	16,852,498
Total core and other programming fees	\$ 93,289,053	\$ 90,406,977

Core fees are amounts charged by NPR Inc. to members for the general rights of membership, including participation in NPR Inc. governance; representing members on issues affecting public broadcasting; providing access to valuable training and information; providing digital content and marketing, analytics, and other digital services, as well as digital products and training; licensing the broadcast of *Morning Edition*, *All Things Considered*, *Weekend Edition Saturday*, *Weekend Edition Sunday*, and *Weekend All Things Considered*.

Other programming fees are amounts charged by NPR Inc. for the right to broadcast and deliver NPR Inc. distributed programs to listeners.

Management determines core and other programming fees each year using an agreed upon formula based on historical station financial and listening data. NPR Inc. recognizes revenue from these revenue sources ratably as services are rendered (e.g., program is delivered to customer) during the period of the customer arrangement which corresponds to NPR Inc.’s fiscal year. NPR Inc. has no unsatisfied performance obligations related to these services as of September 30, 2022 and 2021.

Corporate sponsorships—Corporate sponsorships are amounts charged by NPR Inc. for successfully fulfilling its obligations which occurs when radio sponsorship acknowledgments run, impressions on public broadcasting internet sites are delivered (i.e., the number of times the sponsorship appears in viewed internet pages), or podcasts containing sponsorship credits are downloaded. The amounts charged are calculated based on a contractually agreed upon rate per acknowledgment, impression, or download. NPR Inc. has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of performance completed to date; NPR Inc. has, therefore, elected the right to invoice practical expedient (i.e., NPR Inc. recognizes corporate sponsorship revenue in an amount to which NPR Inc. has the right to invoice).

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 3—Revenue Recognition (Continued)

A. Contracts with customers (Continued)

Corporate sponsorships (Continued)—Corporate sponsorship revenue is reported in the Consolidated Statements of Activities net of third-party agency commissions totaling \$291,873 and \$442,583 in 2022 and 2021, respectively.

PRSS contract revenue—NPR Inc.’s Distribution division manages and operates the PRSS through which public radio programming is distributed to interconnected public radio stations. Beginning in 1988, Congress has, periodically, authorized funds to replace, refurbish, and upgrade the public radio and television satellite interconnection systems. Typically, the authorizing legislation establishes a special fund administered by the Corporation for Public Broadcasting (“CPB”) which, in turn, contracts with NPR Inc. to carry out the public radio satellite interconnection project. NPR Inc. treats this contract as an exchange transaction.

CPB and NPR Inc. executed a contract effective October 1, 2017. Under this contract, CPB committed funds totaling \$25,845,852 for the period October 1, 2017, through September 30, 2021 (“2017 Contract”). During the term, NPR Inc.’s Distribution division planned, designed, procured, constructed, and maintained the PRSS for the interconnection of the public telecommunications entities participating in the public radio interconnection system, including those public telecommunications entities that in the future may qualify and participate in the PRSS.

The 2017 Contract functions as a cost-reimbursable contract under which NPR Inc. may apply funds received from CPB to the allowable costs of replacing, refurbishing, upgrading, and maintaining the PRSS. Such allowable costs include, but are not limited to, equipment and facilities, maintenance arrangements, insurance, planning, engineering evaluation, design, labor, and leases (whether for satellite or terrestrial capacity). NPR Inc. has a right to consideration from CPB in an amount that corresponds directly with the value to CPB of NPR Inc.’s performance completed to date. Accordingly, NPR Inc. recognizes revenue based on permitted costs incurred.

In 2022, management executed a one-year contract extension of the 2017 Contract with CPB for the period October 1, 2021, through September 30, 2022 (“2022 Extension”). Under this extension, CPB committed additional funds totaling \$2,621,313 which increased the 2017 Contract award to \$28,467,165.

The following table summarizes the changes in deferred revenue:

<i>Years ended September 30,</i>	2022	2021
Deferred revenue, beginning of year	\$ —	\$ 2,369,094
Plus: Disbursements from CPB to NPR Inc.	—	2,406,865
Minus: Revenue recognized by NPR Inc. ²	—	(4,775,974)
Plus: Interest earned on funds advanced by CPB	—	15
Deferred revenue, end of year	\$ —	\$ —

² “Revenue recognized by NPR Inc.” in 2021 differs from the amount reported in the Consolidated Statements of Activities because NPR incurred costs more than the amount of the funds disbursed by CPB, resulting in a receivable of \$956,350 as of September 30, 2021, which is included in “Accounts receivable, net” in the Consolidated Balance Sheets.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 3—Revenue Recognition (Continued)

A. Contracts with customers (Continued)

PRSS contract revenue (Continued)—The following table presents the unrecognized and undisbursed balances for the 2017 Contract as adjusted by the 2022 Extension:

September 30,	2022	2021
Unrecognized balance	\$ 383,142	\$ 1,065,479
Undisbursed balance	\$ 1,819,922	\$ 2,021,829

The “Undisbursed balance” in the table above includes a receivable of \$1,436,780 and \$956,350 as of September 30, 2022 and 2021, respectively, which is included in “Accounts receivable, net” in the Consolidated Balance Sheets. CPB paid the 2021 receivable during 2022.

In November 2022, management and CPB executed a no-cost extension covering the period October 1, 2022, through March 31, 2023, to permit time for NPR to complete select station and network infrastructure projects.

Management is currently negotiating a two-year contract extension with CPB that will cover the period October 1, 2022, through September 30, 2024. NPR Inc. management believes that it will successfully negotiate the contract extension.

Satellite interconnection and distribution—Satellite interconnection and distribution revenue from contracts with customers includes the following amounts charged by NPR Inc.’s Distribution division:

Years ended September 30,	2022	2021
Interconnection	\$ 3,836,072	\$ 3,620,162
Distribution	4,858,878	4,801,710
Equipment sales and rentals	123,734	281,357
Other	—	(2,799)
Total satellite interconnection and distribution	\$ 8,818,684	\$ 8,700,430

Interconnection fees are amounts charged to public radio stations for connecting to the ContentDepot® Distribution System through which the public radio stations download content. Public radio stations connect via either satellite or the internet.

Distribution fees are amounts charged to customers that utilize microwave frequency bands (KU-band and C-band) for satellite terrestrial reception and transmission. Customers utilizing these services include public radio station producers, independent producers, and commercial companies. NPR Inc.’s Distribution division also offers customers back-up satellite transmission services if the customer’s primary satellite connection is inoperable.

NPR Inc.’s Distribution division management develops the annual interconnection and per megabyte download distribution fee schedule based on historical rates. The schedule is reviewed and approved by the Distribution Committee of the NPR Board annually. NPR Inc. recognizes interconnection and distribution revenue ratably as services are rendered (e.g., customer can access satellite, programming is downloaded by customer). The duration of the underlying customer arrangements is generally a one-year period corresponding with NPR Inc.’s fiscal year. For multi-year distribution arrangements, the monthly fee is fixed for the term of the arrangement. NPR Inc. has no unsatisfied performance obligations related to the above services as of September 30, 2022 and 2021.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 3—Revenue Recognition (Continued)

A. Contracts with customers (Continued)

Satellite interconnection and distribution (Continued)—Equipment sales and rentals are amounts charged for either the direct sale or leasing of equipment used by customers to connect to the ContentDepot Distribution System. NPR Inc. recognizes revenue either when control of the sold equipment is transferred to the customer (e.g., upon shipment, upon delivery and installation) or over the period when a customer has access to the use of rented functional equipment.

Commercial programming distribution—NPR Inc. provides programming to commercial entities for distribution over either the entities branded radio stations or podcast distribution application based on contractually agreed upon rates. Revenue is recognized ratably over the multi-year contract periods as programming is delivered to the commercial entities in an amount that corresponds to NPR Inc.'s right to invoice.

Commissions—NPM charges customers fees for securing sponsorship placements. These charges, or commissions, are calculated based on a contractually agreed upon percentage applied to the gross sponsorship amount. NPM, acting as agent for its customers, recognizes revenue when the customer, on whose behalf NPM secured the sponsorship, successfully fulfills its performance obligation. A performance obligation is fulfilled when television and radio sponsorships acknowledgments run, impressions on public broadcasting internet sites are delivered (i.e., the number of times the sponsorship appears in viewed internet pages), or podcasts containing sponsorship credits are downloaded. NPM has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of performance completed to date; and NPM has, therefore, elected the right to invoice practical expedient. NPM recognizes commission revenue in an amount to which NPM has the right to invoice.

Licensing of intellectual property—NPR Inc. licenses two types of intellectual property (“IP”): IP that has “standalone functionality,” which is called functional IP, and all other IP, which is called symbolic IP. Revenue related to the license of functional IP is generally recognized upon delivery (availability) of the IP to the customer. The substantial majority of NPR Inc.'s content distribution activities are considered licensing of functional IP. Revenue related to the license of symbolic IP is generally recognized over the term of the license. NPR Inc.'s primary revenue stream derived from symbolic IP is the licensing of trade names. The amount of revenue for each type of IP is based on contractually agreed upon rates. NPR Inc. has no unsatisfied performance obligations related to the above services as of September 30, 2022 and 2021.

Other—Other revenue from contracts with customers includes the following:

<i>Years ended September 30,</i>	2022	2021
Ticket sales	\$ 1,716,497	\$ 543,538
Airing of program content	976,250	1,035,000
Inventory sales	896,784	1,311,561
Public Media Interactive Network	624,352	491,297
Other	600,292	420,289
Total other	\$ 4,814,175	\$ 3,801,685

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 3—Revenue Recognition (Continued)

A. Contracts with customers (Continued)

Other (Continued)—Detailed information about the revenue recognition policies for the above significant sources follows:

- **Ticket sales**—Ticket revenue is charged by NPR Inc. to individuals attending live events and shows based on market rates. NPR Inc. recognizes revenue at the point when either the corresponding show or special event is held.
- **Airing of program content**—NPR Inc. distributes customer content during segments on one of its shows. Revenue is recognized ratably over the multi-year contract period based on contractually agreed upon rates as content is aired.
- **Inventory sales**—Revenue from sales on NPR Inc.'s shopping website is recognized upon shipment of the ordered goods.
- **Public Media Interactive Network**—During fiscal year 2009, NPM launched the Public Media Interactive (“PMI”) network. The PMI network is a digital offering that monetizes unsold digital inventory on member stations’ websites. The PMI network provides incremental digital revenues to participating stations. In fiscal years 2022 and 2021, 92 radio stations and producers, participated in the PMI network. Fees charged by NPM (typically calculated based on a stated percentage applied to the gross sponsorship amount) for selling client’s unsold digital inventory is not recognized until the client, on whose behalf NPM secured the sale, successfully fulfills its performance obligation (e.g., delivers impressions on public broadcasting internet sites, podcasts containing sponsorship credits are downloaded).

NPR Inc. has no unsatisfied performance obligations related to the above services as of September 30, 2022 and 2021.

B. Contributions of cash and other financial assets

NPR Inc., the Foundation, ACPR, and NPRIO receive contributions from individuals, foundations, donor advised funds, and other charitable organizations. Contributions are recognized as revenue, at fair value, on the earlier of the receipt of cash or an unconditional promise to give. Contributions which impose restrictions that are met in the same fiscal year the contribution is received are reported as increases in net assets without donor restrictions.

Expirations of donor restrictions (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated period has elapsed) in subsequent years are reported as “Net assets released from donor restrictions” in the Consolidated Statements of Activities.

From time to time, NPR Inc., the Foundation, ACPR, and NPRIO may receive contributions that have conditions (e.g., meeting specific performance-related barriers, revocable features). For conditional contributions, NPR Inc., the Foundation, ACPR, and NPRIO recognize revenue only after the conditions are substantially met. Should NPR Inc., the Foundation, ACPR, and NPRIO substantially meet the conditions in the same period that the contribution was received, and barring any further donor-imposed restrictions, NPR Inc., the Foundation, ACPR, and NPRIO have elected to recognize the revenue in net assets without donor restrictions.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 3—Revenue Recognition (Continued)

B. Contributions of cash and other financial assets (Continued)

At September 30, 2022 and 2021, NPR had received conditional promises to give totaling \$4,034,053 and \$3,424,363, respectively, for which it did not yet satisfy the donors' conditions.

Contributions of assets other than cash are recorded at their estimated fair value on the date of gift. Contributions for the acquisition or construction of property and equipment are released from restrictions in the period in which the assets are placed into service.

Grants awarded by federal agencies are generally considered nonreciprocal transactions restricted by the awarding agency for certain purposes, and revenue is recognized when qualifying expenditures are incurred and conditions under the grant agreements are met. NPR Inc. recorded revenue totaling \$80,000 and \$84,500 in 2022 and 2021, respectively. There were no outstanding performance obligations, unrecognized funds, or unspent federal funds at September 30, 2022 and 2021.

Note 4—Pledges Receivable

Pledges receivable are:

September 30,	2022	2021
Amounts due in:		
Less than one year	\$ 9,796,247	\$ 13,466,195
One to five years	6,456,420	6,295,000
More than five years	200,000	800,000
Subtotal	16,452,667	20,561,195
Minus:		
Allowance for uncollectible pledges receivable	—	—
Discount to present value (rates range from 0.28% to 4.25%)	(184,653)	(237,500)
Net pledges receivable	\$ 16,268,014	\$ 20,323,695

Relative to credit risk, the following table provides a breakdown of the number of donors owing \$100,000 or more as of September 30, 2022 and 2021 (percentage of gross pledges receivable shown in parenthesis):

September 30,	2022	2021
Owing between \$100,000–\$499,999	14 (19%)	14 (16%)
Owing between \$500,000–\$999,999	4 (16%)	4 (13%)
Owing \$1 million or more	3 (62%)	4 (67%)
Net pledges receivable	21 (97%)	22 (96%)

NPR Inc. and the Foundation believe that each has limited credit risk with respect to these donors given their relationship with and support of NPR Inc. and its activities. Of the remaining pledges receivable balance, NPR Inc. and the Foundation believe that each has limited credit risk due to the diversity of its customer and donor base and the size of the amounts owed. Additionally, NPR partially mitigates credit risk with respect to accounts and pledges receivable through the creation of allowances for uncollectible receivables (when collection is not assured) and the discounting of long-term pledges to present value.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 5—Investments

NPR's Investments consist almost entirely of the Foundation's investment portfolio. A smaller portion of the investment assets relates to Board-designated funds for PRSS and liquidity reserves, as well as working capital.

The fair value of investments as of year-end consists of the following:

September 30,	2022	2021
Cash and money market funds	\$ 44,767,582	\$ 22,977,368
Fixed income	124,107,253	129,382,608
Marketable equities	181,517,122	239,462,081
Private equity and venture capital	49,771,093	40,397,479
Multi-strategy diversifiers	58,931,866	62,976,695
Opportunistic diversifiers	6,801,365	11,212,451
Private real assets	25,862,764	27,435,836
Total investments	\$ 491,759,045	\$ 533,844,518

NPR's investment classes, which are described in further detail below, include direct holdings that are generally traditional marketable securities such as fixed income securities, equities, mutual funds, and exchange traded funds ("ETFs"). Some of these investments are subject to market, credit, currency, and interest rate risks. Because of potential fluctuations in domestic and international markets after year end, future fair values may differ significantly from the values reported herein. NPR also holds shares or units in either institutional funds or partnerships which, where applicable, are stated at net asset value ("NAV").

- **Cash and money market funds**—Cash, cash equivalent securities, overnight sweep funds, and money market funds with an aggregate duration of less than a year.
- **Fixed income**—Investments in U.S. Treasury and agency debt and credit securities, and funds holding similar securities.
- **Marketable equities, private equity, and venture capital**—Investments in funds which generally hold interests in U.S. and non-U.S. equity securities, equity-based derivatives, futures, carbon credit assets, and funds that invest predominantly in long and short stocks. Of NPR's investments in marketable equities, \$168,087,217 (93% of holdings) of the funds were redeemable at year-end; in 2021, all funds were redeemable. Of NPR's investments in private equity and venture capital, none was redeemable at September 30, 2022 and 2021. Distributions from the funds will be received through liquidations of the assets underlying the funds at the discretion of the general partner/manager.
- **Multi-Strategy and Opportunistic Diversifiers**—Investments in funds whose managers utilize hedged strategies and have the authority to invest domestically and globally in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists and may include equity securities, bonds, put or call options, swaps, currency hedges, and other instruments, and are valued accordingly. However, some of the investments are in funds whose managers invest in and sell short securities and instruments, including but not limited to: (a) merger arbitrage and other forms of arbitrage involving corporate takeovers; (b) investments in companies experiencing financial distress; (c) investments in restructuring companies; (d) direct investments in operating and services businesses; and (e) other investments in securities or instruments that the fund manager believes are either under- or overvalued, or likely to appreciate or depreciate.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 5—Investments (Continued)

Multi-Strategy and Opportunistic Diversifiers (Continued)—Of NPR’s investments in multi-strategy diversifiers, \$51,617,215 (88% of holdings) and \$61,749,997 (98% of holdings) of the funds were redeemable at September 30, 2022 and 2021, respectively. Of NPR’s investments in opportunistic diversifiers, none was redeemable at September 30, 2022 and 2021. Distributions from opportunistic diversifiers and the balance of the multi-strategy diversifiers will be received through liquidations of the assets underlying the funds at the discretion of the general partner/manager.

- **Private real assets**—Investments in funds which generally hold interests in public real estate investment trusts, private real estate or investments, commercial properties or commodities, infrastructure or oil and gas, normally through commingled funds. Additionally, certain liquid commodity- and real estate-related equities, private placement securities, privately held stock, and related derivatives are included. Of NPR’s investments in private real assets, none was redeemable at September 30, 2022 and 2021. Distributions from the funds will be received through liquidations of the assets underlying the funds at the discretion of the general partner/manager.

A. Investment policy

The Investment Committee of the NPR Inc. Board and management implement the Statement of Investment Policy, Objectives and Guidelines (“Investment Policies”) as approved by the NPR Inc. Board and Foundation Board. The Investment Committee is comprised of individuals from both boards, and it acts as the controlling body relative to each investment under management. The Investment Committee employs an investment advisor to monitor investment managers, as well as to benchmark and evaluate each fund’s performance.

Monthly evaluations are prepared for management’s review and the results are communicated to the Investment Committee when the Investment Committee meets during the year. Each year, where available and applicable, management reviews the report on internal controls for fund managers and compares each fund’s NAV to the fund’s audited financial statements. There were no changes in valuation techniques noted for these funds during 2022.

B. Basis of reporting

Investments are recorded at estimated fair value. The inputs or methodology used for valuing or classifying investments for financial reporting purposes are not necessarily an indication of the risks associated with those investments or a reflection of the liquidity or degree of difficulty in estimating the fair value of each fund’s underlying assets and liabilities. Generally, if an investment is held directly by NPR and an active market with quoted prices exists, the market price of an identical security is used to report fair value. NPR’s interests in alternative investment funds are generally reported at either NAV or its equivalent (e.g., partnership interest) reported by the fund managers and assessed as reasonable by NPR.

NPR uses the NAV where possible to estimate the fair value of NPR’s interest unless it is probable that NPR will sell all or a portion of the investment for an amount different than NAV, which, as of September 30, 2022, NPR had no plans or intentions to do.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 5—Investments (Continued)

B. Basis of reporting (Continued)

The following tables, which exclude cash and money market funds of \$44,767,582 for 2022, and \$22,977,368 for 2021, summarize NPR's investments within the fair value hierarchy and those measured at NAV at September 30, 2022 and 2021:

September 30,	2022 Total	Fair Value Hierarchy			NAV ³
		Level 1	Level 2	Level 3	
Fixed income	\$ 124,107,253	\$ 124,107,253	\$ —	\$ —	\$ —
Marketable equities	181,517,122	28,475,799	—	10,260,328	142,780,995
Private equity and venture capital	49,771,093	—	—	4,073,464	45,697,629
Multi-strategy diversifiers	58,931,866	5,466,328	—	—	53,465,538
Opportunistic diversifiers	6,801,365	—	—	—	6,801,365
Private real assets	25,862,764	—	—	298,801	25,563,963
Totals	\$ 446,991,463	\$ 158,049,380	\$ —	\$ 14,632,593	\$ 274,309,490

September 30,	2021 Total	Fair Value Hierarchy			NAV ³
		Level 1	Level 2	Level 3	
Fixed income	\$ 129,382,608	\$ 129,382,608	\$ —	\$ —	\$ —
Marketable equities	239,462,081	31,779,287	—	7,894,413	199,788,381
Private equity and venture capital	40,397,479	—	—	1,343,566	39,053,913
Multi-strategy diversifiers	62,976,695	6,063,064	—	—	56,913,631
Opportunistic diversifiers	11,212,451	—	—	6,774	11,205,677
Private real assets	27,435,836	—	—	353,584	27,082,252
Totals	\$ 510,867,150	\$ 167,224,959	\$ —	\$ 9,598,337	\$ 334,043,854

Registered mutual funds, ETFs, and directly held fixed income securities are classified in Level 1 and are based on published share prices. Most investments classified in Level 3 consist of shares or units in non-registered investment funds as opposed to direct interests in the funds' underlying securities, which may be readily marketable or not difficult to value. Some investments frequently require the estimation of fair values by fund managers due to the absence of readily determinable market values. Because of the inherent uncertainties of valuation, estimated fair values may differ significantly from the values that would have been used had a ready market existed, and the differences could be material.

Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held.

³ Investments that are measured at fair value using NAV have not been classified in the fair value hierarchy. The fair value amounts presented in the "NAV" column are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Balance Sheets.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 5—Investments (Continued)

C. Redemption frequency

For all investments with eligible redeemable amounts as of September 30, 2022 and 2021, the redemption frequency and the corresponding notice period are:

Asset Class	Redemption frequency	Redemption notice period (in days)
Cash and money market funds	Daily	1
Fixed income	Daily	1
Marketable equities	Daily, weekly, monthly, quarterly, annually, other (e.g., approval of managing manager)	1 to 150
Multi-strategy diversifiers	Daily, monthly, quarterly, annually, other (e.g., approval of managing manager)	1 to 65

NPR's investments in certain private equity and venture capital, opportunistic diversifiers, and private real assets are illiquid. It is possible that the redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreement.

Certain investments periodically contain rolling lockup provisions. Under such provisions, investment tranches are available for redemption after a specified period, if NPR makes a redemption request before the next available withdrawal date in accordance with the notification terms of the agreement. Of the amounts reported at net asset value (or its equivalent) as of September 30, 2022 and 2021, \$15,919,457 and \$21,911,889, respectively, of the balance was under "lockup" and redeemable under modified terms. The lockup restrictions expire and/or may reset over the next four calendar years.

D. Level 3 assets activity

The following table presents the activities for NPR's investments classified in Level 3:

Years ended September 30,	2022	2021
Total Level 3 investments, beginning of year	\$ 9,598,337	\$ 9,079,808
Net realized and unrealized (losses) gains	(2,355,072)	863,097
Purchases	7,446,348	1,260,000
Sales	(57,020)	(1,604,568)
Total Level 3 investments, end of year	\$ 14,632,593	\$ 9,598,337

Observable and unobservable inputs may be used to determine the fair value of positions that NPR classifies within Level 3. As a result, the unrealized gains and losses for assets in the table above may include changes in fair value that were attributable to both inputs. The net realized and unrealized gains and losses in the table above are reported in the appropriate net asset class as "Return on investments, net" in the Consolidated Statements of Activities.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 5—Investments (Continued)

D. Level 3 assets activity (Continued)

Quantitative information related to investment assets measured and carried at fair value on a recurring basis using significant unobservable inputs follows:

Description	Fair Value at September 30,		Principal Valuation Technique	Unobservable Inputs	Weighted Average
	2022	2021			
Marketable equities	\$10,260,328	\$7,894,413	Market approach	Values assigned to underlying funds less liabilities	N/A
Private equity and venture capital	\$4,073,464	\$1,343,566	Market approach	Values assigned to underlying funds less liabilities	N/A
Opportunistic diversifiers	\$—	\$6,774	Market approach	Values assigned to underlying funds less liabilities	N/A
Private real assets	\$298,801	\$353,584	Market approach	Values assigned to underlying funds less liabilities	N/A

E. Liquidity

Investment liquidity is aggregated below based on redemption or sale period:

September 30,	2022
Daily	\$ 202,816,962
Weekly	23,428,819
Monthly	52,949,458
Quarterly	90,307,122
Annually	11,237,125
Other	7,234,000
Funds that are terminated and liquidating	605,782
Amount considered to be illiquid	103,179,777
Total investments	\$ 491,759,045

F. Commitments

Certain private equity, diversifiers, and real asset investments are made through limited partnerships. Under the terms of these agreements, the Foundation is obligated to remit additional funding periodically as capital calls are exercised by the manager. These partnerships have a limited existence, and such agreements may provide for annual extensions for the purpose of disposing of portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund's strategy, and other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may prematurely wind down the fund. As a result, the timing and amount of future capital liquidity calls expected to be exercised in any future year are uncertain. Unfunded commitments will be funded either by cash available in the investment portfolio or by liquidating other investments based on management's assessment.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 5—Investments (Continued)

F. Commitments (Continued)

As of September 30, 2022 and 2021, the aggregate amount of unfunded commitments and recallable capital totaled \$42,680,704 and \$31,325,122, respectively, broken down as follows:

September 30, 2022	Reported at NAV	Level 3	Total
Private equity and venture capital	\$23,249,250	\$10,447,327	\$33,696,577
Opportunistic diversifiers	\$3,267,554	\$—	\$3,267,554
Private real assets	\$5,716,573	\$—	\$5,716,573

September 30, 2021	Reported at NAV	Level 3	Total
Private equity and venture capital	\$20,002,594	\$2,240,000	\$22,242,594
Opportunistic diversifiers	\$2,827,262	\$—	\$2,827,262
Private real assets	\$6,255,266	\$—	\$6,255,266

Note 6—Property and Equipment

Property and equipment is summarized below:

September 30,	2022	2021
Land	\$ 55,753,066	\$ 55,753,066
Technical equipment and software	61,743,972	57,133,216
Building and improvements	156,497,342	153,507,684
Office furniture	9,561,059	9,266,529
Vehicles	32,060	32,060
Total property and equipment	283,587,499	275,692,555
Minus: Accumulated depreciation	(83,299,547)	(76,003,107)
Net property and equipment	\$ 200,287,952	\$ 199,689,448

In April 2013, NPR Inc. completed construction of and occupied its new headquarters building. During the construction of the headquarters building, NPR Inc. capitalized interest totaling \$25,146,322. NPR Inc. is amortizing this interest over the remaining life of the building. In both 2022 and 2021, amortization of capitalized interest was \$502,926 and is included in “Depreciation and amortization” in the Consolidated Statements of Activities. The unamortized balance of capitalized interest is \$20,389,478 as of September 30, 2022, and \$20,892,404 as of September 30, 2021.

Note 7—Debt

A. Bonds payable

NPR Inc. financed the construction of its current headquarters building using *District of Columbia Revenue Bonds (National Public Radio, Inc. Issue) Series 2010* totaling \$162,125,000 (“Series 2010 Bonds”).

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 7—Debt

A. Bonds payable (Continued)

Advance Refunding History (Continued)—NPR Inc. completed two advance refundings which affected portions of the Series 2010 Bonds. The first occurred in 2013⁴ and the second occurred in 2016⁵. Proceeds from the 2013 and 2016 bonds were deposited into irrevocable defeasance accounts and provided for all future debt service on the refunded portions of the Series 2010 Bonds. NPR Inc. continued to make debt service payments until the unrefunded Series 2010 Bonds matured on April 1, 2020. In 2020, NPR Inc. completed an advance refunding of the outstanding 2013 and 2016 bonds when the District of Columbia issued *District of Columbia Revenue Refunding Bonds (National Public Radio, Inc. Issue) Series 2020 (Taxable)* totaling \$188,290,000 (“Series 2020 Bonds”). The proceeds of the Series 2020 Bonds were deposited into an irrevocable defeasance account to provide for all future debt service on the 2013 and 2016 bonds.

Series 2020 Bonds—The serial portion of the Series 2020 Bonds has maturities ranging from April 1, 2022, through April 1, 2035, and the term portion has maturities ranging from April 1, 2042, through April 1, 2047. The Series 2020 Bonds bear interest at fixed rates from 1.438% to 3.532%, and interest is payable semi-annually (due each October 1st and April 1st). In 2022 and 2021, interest expense on the Series 2020 Bonds totaled \$5,630,785 and \$2,827,494 and is included in “Interest” in the Consolidated Statements of Functional Expenses.

NPR Inc., in its sole discretion, may redeem all or a portion of the Series 2020 Bonds prior to maturity. The make-whole redemption price (“Make-Whole Price”) is defined in the Indenture of Trust dated July 1, 2020 (“Indenture”). The Make-Whole Price is the greater of the principal amount to be redeemed or the net present value of the remaining scheduled payments of principal and interest, discounted by the then applicable United States Treasury Rate for similar maturity periods, plus varying basis points as provided for in the Indenture.

Issuance costs related to the Series 2020 Bonds were financed by bond proceeds, and the Series 2020 Bonds were issued at par.

Maturities of the Series 2020 Bonds were as follows at September 30, 2022:

	Total
2023	\$ 4,860,000
2024	5,760,000
2025	5,860,000
2026	5,965,000
2027	6,090,000
Thereafter	157,145,000
Total bonds payable	\$185,680,000

B. Lines of Credit

In October 2021, NPR Inc. established an unsecured revolving line of credit of \$50 million (“October 2021 Line”) with Truist Bank to support either working capital or general corporate uses. The October 2021 Line resulted from the closing and consolidation of two independent \$25 million unsecured lines with Truist Bank (discussed below).

⁴ District of Columbia Refunding Revenue Bonds (National Public Radio, Inc. Issue) Series 2013, \$87,430,000

⁵ District of Columbia Refunding Revenues Bonds (National Public Radio, Inc. Issue) Series 2016, \$70,075,000

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 7—Debt

B. Lines of Credit (Continued)

The October 2021 Line accrues interest at a rate equal to the daily Secured Overnight Financing Rate plus 1.15%. Any amounts borrowed are payable on October 15, 2023. It contains nonfinancial covenants with which NPR Inc. complied in 2022. During 2022, NPR Inc. did not make any draws under the line of credit and, as a result, had no interest expense. There was no balance outstanding on this credit facility as of September 30, 2022.

Old lines of credit—NPR Inc. previously established two \$25 million unsecured revolving lines of credit with Truist Bank, one in November 2012 and the second in September 2020, both of which supported either working capital or general corporate uses. The lines of credit contained nonfinancial covenants with which NPR Inc. complied in 2021. During 2021, NPR Inc. did not make any draws under either credit facility and, as a result, had no interest expense. There was no balance outstanding on either credit facility as of September 30, 2021.

In May 2017, NPM established a \$200,000 revolving line of credit with Bank of America to support working capital uses. The line of credit contained nonfinancial covenants with which NPM complied in 2021. During 2021, NPM did not make any draws under the line of credit and, as a result, had no interest expense. As of September 30, 2021, the line of credit was closed.

Note 8—Retirement Plan

NPR Inc. offers a defined contribution plan under Section 403(b) of the Code for its administrative and union employees (“NPR Plan”). Under the NPR Plan, NPR Inc. contributes a percentage of the base compensation of each properly enrolled employee who has completed two years of qualified service with NPR Inc. For the years ended September 30, 2022 and 2021, NPR Inc. made contributions to the NPR Plan of \$7,582,502 and \$3,706,824, respectively.

NPM offers a savings plan under Section 401(k) of the Code for its employees (“NPM Plan”). Participants may, voluntarily, contribute and defer a portion of their wages up to the maximum amount allowable. NPM, at the discretion of the NPM Board, may make contributions on behalf of employees who have completed one year of qualified service with NPM. For the years ended September 30, 2022 and 2021, NPM made contributions to the NPM Plan of \$602,717 and \$422,782, respectively.

Note 9—Leases

NPR Inc. and NPM have non-cancelable lease arrangements for corporate facilities which expire at various dates from fiscal year 2023 to fiscal year 2032. NPR Inc. and NPM do not have any leases that are classified as finance leases, and do not have any material office space subleases.

Rental payments under these leases include base rental amounts for the terms of each lease unless the lease contains variable costs (e.g., utilities, real estate taxes, operating expenses such as janitorial and common area maintenance, water, and insurance) based on an index or rate. If a lease does include indexed or variable costs at a specific rate, NPR Inc. and NPM include those costs as part of operating lease expense. Other leases contain variable costs for expenses which are not based on an index or rate. These variable lease payments are determined based on actual expenses incurred by the lessor and passed to either NPR Inc. or NPM on a periodic basis. NPR Inc. and NPM expense these non-lease components as incurred.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 9—Leases (Continued)

For leases that contain an option to extend for an additional period, management evaluated whether it is reasonably certain that NPR Inc. or NPM would, in fact, extend the lease. If NPR Inc. or NPM was not reasonably certain that a lease would be extended, the additional term was not included in the determination of the lease liability and right-of-use asset. If NPR Inc. or NPM was reasonably certain that a lease would be extended, the additional term was included in the determination of the lease liability and right-of-use asset.

Operating, variable and Short-Term lease expense in the Consolidated Statements of Activities for the years ended September 30, 2022 and 2021, which is included in “Facility lease, utilities, taxes, and related expenses” and “Satellite space and equipment” in the Consolidated Statements of Functional Expenses, was:

Year ended September 30, 2022	NPR Inc.		NPM		Total
Operating lease expense	\$	861,968	\$	603,576	\$ 1,465,544
Variable lease expense		451,756		64,008	515,764
Short-Term lease expense ⁶		1,324,294		—	1,324,294
Total lease expense	\$	2,638,018	\$	667,584	\$ 3,305,602

Year ended September 30, 2021	NPR Inc.		NPM		Total
Operating lease expense	\$	850,383	\$	375,886	\$ 1,226,269
Variable lease expense		384,711		109,532	494,243
Short-Term lease expense ⁶		1,295,538		—	1,295,538
Total lease expense	\$	2,530,632	\$	485,418	\$ 3,016,050

The weighted-average remaining lease term and discount rate related to lease liabilities were:

September 30,	NPR Inc.		NPM	
	2022	2021	2022	2021
Weighted average remaining lease term	8.1 years	8.9 years	10 years	10 years
Weighted average discount rate	1.2%	1.2%	1.4%	1.3%

Aggregate remaining maturities of lease liabilities as of September 30, 2022, are as follows:

	NPR Inc.		NPM		Total
2023	\$	1,015,081	\$	412,621	\$ 1,427,702
2024		1,043,828		422,970	1,466,798
2025		899,770		433,579	1,333,349
2026		755,817		444,455	1,200,272
2027		788,745		458,530	1,247,275
Thereafter		3,006,099		2,593,005	5,599,104
Total operating lease payments		7,509,340		4,765,160	12,274,500
Minus: Imputed interest		(412,159)		(337,156)	(749,315)
Total operating lease liabilities	\$	7,097,181	\$	4,428,004	\$ 11,525,185

As of September 30, 2022, NPR Inc. has \$1,508,169 of future payments under an additional corporate office lease that has not yet commenced. The lease will commence in April 2025 and has a lease term of five years and nine months.

⁶ See Note 10(G) for information about the PRSS satellite transponder capacity lease.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 10—Commitments and Contingencies

A. Concentration of employees covered by Collective Bargaining Agreements (“CBA”)

At the end of 2022 and 2021, approximately 51% and 49% of NPR Inc.’s active employees were members of either the National Association of Broadcast Employees and Technicians union, Communications Workers of America (“NABET-CWA”) or the Screen Actors Guild–American Federation of Television and Radio Artists, Washington-Baltimore union (“SAG–AFTRA”), respectively.

NPR Inc. and SAG–AFTRA successfully renegotiated the CBA covering employees in NPR Inc.’s News and information, Programming, and Research, Archives, and Data teams in 2021. The successor CBA continues through July 30, 2025.

In 2022, NPR Inc. and NABET-CWA successfully renegotiated the CBA covering audio engineers and technicians. The successor CBA continues through March 31, 2025.

On May 5, 2021, NPR Inc. voluntarily recognized NABET-CWA as the exclusive bargaining representative of employees within the organization’s Digital Media team. On November 15, 2021, NPR Inc. voluntarily recognized NABET-CWA as the exclusive bargaining representative of employees within the organization’s Audience Growth and Communications teams. NPR Inc. management and NABET-CWA are actively bargaining over an initial CBA covering both groups.

B. Audits of costs incurred under select foundation and all government grants

Costs incurred under select foundation and all government grants are subject to audit. No audits occurred in 2022. The ultimate liability, if any, from future audits is not expected to have a material adverse effect on NPR’s financial position.

C. Litigation

NPR Inc. is subject to various legal claims and contingencies arising in the ordinary course of NPR Inc.’s business. NPR Inc.’s exposure is generally limited through insurance coverage. While the outcomes of such matters are uncertain, management believes that their ultimate resolution will not have a material adverse effect on NPR Inc.’s financial position.

D. News personal services contracts and employment agreements

At September 30, 2022, NPR Inc. has personal services contracts and employment agreements (collectively, “Contract and Employment Agreements”) with news bureau chiefs, correspondents (domestic and international), editors, hosts, newscasters, producers, and reporters. Contract and Employment Agreements with fixed termination dates expire at various times through fiscal year 2026. At September 30, 2022, NPR Inc. has 49 (48 in 2021) Contract and Employment Agreements which continue in perpetuity until terminated.

E. Indemnification

From time to time, NPR Inc. enters into agreements for the acquisition or sale (including licensing) of goods or services in which NPR Inc. agrees to indemnify the other party. During 2022 and 2021, NPR Inc. had no losses because of its indemnification obligations. Additionally, NPR Inc. is not aware of any material liability arising from its indemnification obligations as of September 30, 2022.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 10—Commitments and Contingencies (Continued)

F. Letters of credit

NPR Inc. has entered into three irrevocable transferable standby letter of credit agreements. Two letters of credit relate to NPR Inc.'s New York Bureau office space and total \$149,804 and \$64,766. The third letter of credit relates to NPR Inc.'s Chicago Bureau office space and totals \$100,000.

NPM has entered into a standby letters of credit agreements for its New York office totaling \$164,625.

Since inception, there has been no activity on any letter of credit through September 30, 2022.

G. PRSS

The PRSS consists of a lease of satellite transponder capacity and ground equipment. The satellite transponders leasehold rights and the ground equipment not owned by individual interconnected stations are owned by The Public Radio Satellite Interconnection System Charitable Trust ("Trust") which was created on July 16, 1990. The original Trust agreement was amended and restated on October 27, 2000, and again on May 13, 2014. The Trust is a qualified tax-exempt charitable trust that holds title to the leased satellite transponder capacity and purchased satellite equipment in trust for the benefit of interconnected public radio stations. The power and duties to administer the Trust are vested in three trustees duly elected by qualified interconnected stations. Certain actions contemplated by the Trust agreement, however, require a majority vote of the qualified interconnected stations.

Since inception, the Trust has executed various agreements with NPR Inc. either to lease or sublease its assets to NPR Inc. These agreements, under which NPR Inc. operates the PRSS, include leases for satellite transponder capacity and the ground equipment not owned by individual interconnected stations. While the various agreements do not require NPR Inc. to make lease payments to the Trust, NPR Inc. is responsible for the cost of maintaining and repairing the ground equipment not owned by individual interconnected stations. The Trust lease covering the ground equipment automatically renews each year. The leases may be terminated, without cause, by a majority vote of the qualified interconnected stations at any time with 24 months' notice. In the event of default by NPR Inc., the leases may be terminated after conclusion of the specified cure period provided in the Trust lease by a majority vote of the Trust trustees. On October 27, 2000, the Trust and NPR Inc. executed a new transponder sublease agreement for satellite transponder capacity on the Galaxy IVR satellite (since replaced by the Galaxy XVI satellite). The term of the transponder sublease parallels the terms of the transponder lease with the satellite's owner, Intelsat. In 2022, NPR Inc. extended the term of its contract with Intelsat through June 30, 2023.

H. Foreign correspondents

Foreign correspondents support NPR Inc.'s mission by reporting on the most important stories happening across the globe. NPR Inc. operates international bureaus which are located around the world. In the ordinary course of NPR Inc.'s international activities, NPR Inc. and its foreign correspondents must comply with various immigration, foreign corporate tax presence, and domestic and international payroll and employment laws and regulations. Tax costs incurred by NPR Inc. are subject to review and adjustment by the respective taxing jurisdictions.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 10—Commitments and Contingencies (Continued)

I. Apache Log4j Vulnerability

NPR scanned all its critical systems for remote code execution vulnerabilities because of the Apache Log4j (a logging tool used in many Java-based applications) vulnerability disclosed on December 9, 2021. Any systems found to be vulnerable have been patched or workarounds have been put in place to protect all systems. NPR has not experienced any degradation in the availability of any services or evidence of compromise because of this vulnerability. NPR will continue to monitor its systems and future developments relative to Apache Log4j.

J. Deferred employer social security payments

NPR elected to defer the deposit and payment of the employer's share of social security tax under the "Coronavirus Aid, Relief, and Economic Security (CARES) Act ("CARES Act") which began on March 27, 2020 and ended on December 31, 2020. Under the terms of the CARES Act, 50% of the deferral was payable on December 31, 2021, and the remaining balance is payable on December 31, 2022. The employer's share of social security tax payments deferred totaled \$2,750,014 and \$5,631,212 (included in "Accrued compensation, benefits, and taxes" in the Consolidated Balance Sheets) as of September 30, 2022 and 2021, respectively. NPR paid the first half of its deferred social security tax in December 2021. NPR Inc. paid the second half (\$2,641,306) of its obligation in November 2022, and NPM paid the second half (\$108,708) of its obligation in December 2022.

Note 11—Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

September 30,	2022	2021
Subject to expenditure for specific purposes:		
Donor-restricted gifts for a specified purpose (e.g., journalism, programming)	\$ 20,726,989	\$ 24,972,880
Current year distribution from endowment not yet available for use	6,445,180	3,239,634
Prior year distributions from endowment not yet available for use	9,338,807	6,099,160
Total subject to expenditure for specific purposes	36,510,976	34,311,674
Subject to the passage of time—For periods after fiscal year end	5,247,300	6,319,083
Subject to when a specified event occurs—Charitable gift annuities	290,838	136,541
Subject to NPR's distribution policy and appropriation ⁷ :		
Donor-restricted endowment corpus amounts	216,173,333	215,365,935
Accumulated investment earnings on endowments	106,500,128	152,823,223
Total subject to NPR's distribution policy and appropriation	322,673,461	368,189,158
Total net assets with donor restrictions	\$ 364,722,575	\$ 408,956,456

⁷ See Note 12 for a discussion of NPR's Endowment.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 11—Net Assets with Donor Restrictions (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose, by occurrence of the passage of time, or by other events specified by the donors as follows:

Years ended September 30,	2022	2021
Expiration of time restrictions	\$ 2,603,417	\$ 4,573,416
Specific event	23,722	—
Satisfaction of purpose restrictions:		
Content (e.g., News and information, Programming)	12,208,759	10,528,454
Distribution	—	139,954
Other	861,688	967,283
Subtotal satisfaction of purpose restrictions	13,070,447	11,635,691
Restricted-purpose endowment distribution:		
NPR's general mission and operations	11,543,970	11,466,915
Journalistic excellence	516,732	496,939
Digital innovations/new technologies	75,405	75,538
Cultural journalism	76,203	76,330
Jazz journalism and programming	44,450	44,132
Operation of NPR facilities	11,818	11,864
Science journalism	4,436	4,405
Subtotal restricted-purpose endowment distribution	12,273,014	12,176,123
Total net assets released from donor restrictions	\$ 27,970,600	\$ 28,385,230

The fiscal year 2022 “Restricted-purpose endowment distribution” above does not agree to the “Appropriated for distribution” amount in Note 12(E). The difference (\$6,445,180) represents a special distribution from the endowment that will not be released from net assets with donor restrictions until fiscal years 2023 and 2024.

The fiscal year 2021 “Restricted-purpose endowment distribution” above does not agree to the “Appropriated for distribution” amount in Note 12(E). The difference (\$3,239,634) represents a special COVID relief distribution from the endowment that will not be released from net assets with donor restrictions until fiscal year 2023.

“Content” includes activities related to NPR’s journalism, including journalistic collaborations with members (e.g., coverage such as criminal justice, diversity, education, elections, energy and the environment, global health and development, and religion); news desks and bureaus (e.g., Arts desk, Education desk, International desk, Investigative reporting desk); safety and security of NPR’s journalists; NPR Music, NPR’s Tiny Desk, and the production and acquisition of programs such as *Jazz Night in America*, and *Code Switch*. “Distribution” includes activities performed by NPR’s Distribution division, such as digital emergency alerting for hurricane activity in Gulf states. “Other” primarily includes NPR’s general operating activities.

Note 12—Endowment

At September 30, 2022 and 2021, NPR’s endowment consisted of 154 and 60 funds, respectively, established by donors for a variety of purposes including:

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 12—Endowment (Continued)

September 30,	Donor- restricted corpus amount	Accumulated investment earnings	2022
NPR's general mission and operations	\$ 198,749,484	\$ 102,704,639	\$ 301,454,123
Journalistic excellence	12,260,955	2,256,999	14,517,954
Digital innovations/new technologies	1,500,000	534,241	2,034,241
Cultural journalism	1,572,826	728,624	2,301,450
Jazz journalism and programming	1,000,000	200,993	1,200,993
Operation of NPR facilities	250,000	65,750	315,750
Science journalism	100,000	19,848	119,848
Cultural internships	731,010	(10,966)	720,044
Endowment contributions not yet deposited into the investment account	9,058	—	9,058
Total endowment net assets	\$ 216,173,333	\$ 106,500,128	\$ 322,673,461

September 30,	Donor- restricted corpus amount	Accumulated investment earnings	2021
NPR's general mission and operations	\$ 198,748,784	\$ 146,548,502	\$ 345,297,286
Journalistic excellence	12,260,955	4,010,151	16,271,106
Digital innovations/new technologies	1,500,000	782,821	2,282,821
Cultural journalism	1,505,163	995,131	2,500,294
Jazz journalism and programming	1,000,000	347,686	1,347,686
Operation of NPR facilities	250,000	104,445	354,445
Science journalism	100,000	34,487	134,487
Endowment contributions not yet deposited into the investment account	1,033	—	1,033
Total endowment net assets	\$ 215,365,935	\$ 152,823,223	\$ 368,189,158

A. Interpretation of Relevant Law

The NPR Inc. Board requires the preservation of the corpus (historic dollar value) of donor-restricted endowment funds absent explicit donor stipulations to the contrary. NPR therefore classifies as net assets with donor restrictions the original value of gifts donated to the endowment, the original value of subsequent gifts to the endowment, and accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the endowment. Appreciation on donor-restricted endowment funds is classified in net assets with donor restrictions until those amounts are approved for distribution by the Foundation Board.

A distribution is determined in a manner consistent with the standard of prudence prescribed by the District of Columbia Uniform Prudent Management of Institutional Funds Act ("UPMIFA") which is incorporated into NPR's Investment Policies. The standard of prudence considers the duration and preservation of the endowment funds, the purposes of NPR and the endowment funds, general economic conditions, the possible effect of inflation or deflation, the expected total return from income, and the appreciation of investments. The amounts appropriated for expenditure are based on the endowment distribution policy.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 12—Endowment (Continued)

B. Distribution Policy

NPR utilizes the total return concept (income yield and appreciation) in the management of its endowment. NPR's distribution policy is designed to stabilize the annual spending levels and preserve the real value of the endowment over time. In accordance with NPR's policy, a predetermined endowment-distribution rate consistent with NPR's total return objective has been established and approved by the NPR Inc. Board. The distribution rate is calculated as 4% of the average March 31st fair value of investments for the preceding twelve fiscal quarters. This amount is included in "Net assets released from donor restrictions" in the Consolidated Statements of Activities.

C. Return Objectives and Risk Parameters

Under NPR's Investment Policies, NPR invests its endowment assets in a manner that is intended to produce an average real rate of return that exceeds the 4% distribution rate over the long term and provides a predictable stream of funding to programs and operations supported by the endowment assets. Actual returns in any given year may vary from this amount.

D. Funds with Deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law ("Underwater Endowment Funds"). NPR has interpreted UPMIFA to permit spending from Underwater Endowment Funds in accordance with prudent measures required under law. Underwater Endowment Funds, if any, are reported in net assets with donor restrictions. At September 30, 2022, NPR had 81 Underwater Endowment Funds which had corpus totaling \$293,685 and fair value of \$280,626, resulting in a deficit of \$13,059. At September 30, 2021, NPR had no Underwater Endowment Funds.

E. Changes in endowment

Changes in the endowment were as follows:

<i>Years ended September 30,</i>	2022	2021
Endowment balance, beginning of year	\$ 368,189,158	\$ 309,720,463
Return on investments, net	(27,604,902)	73,659,176
Appropriated for distribution	(18,718,194)	(15,415,757)
Contributions	739,736	183,000
Purchasing power addition	67,663	42,276
Endowment balance, end of year	\$ 322,673,461	\$ 368,189,158

Note 13—Liquidity and Availability

NPR is supported by restricted contributions that require resources to be used in a particular manner or in a future period. NPR must maintain sufficient resources to meet its responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. However, amounts already appropriated from either the donor-restricted endowment or board-controlled accounts were not subtracted as unavailable.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 13—Liquidity and Availability (Continued)

As part of NPR's liquidity management, NPR has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. In addition, NPR invests cash more than daily requirements in short-term investments. Occasionally, NPR may, with the concurrence of the NPR Inc. Board and Foundation Board, add a portion of any operating surplus to its liquidity reserves.

The following reflects NPR's financial assets as of the Consolidated Balance Sheet dates, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the Consolidated Balance Sheets dates.

September 30,	2022	2021
Total consolidated assets	\$ 780,251,331	\$ 838,464,540
Minus: Nonfinancial assets		
Property and equipment, net	(200,287,952)	(199,689,448)
Operating lease right-of-use assets	(9,545,443)	(10,858,821)
Prepaid expenses and other assets	(9,218,211)	(6,464,712)
Goodwill	(364,581)	(546,861)
Financial assets	560,835,144	620,904,698
Minus: Financial assets unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	(29,196,879)	(31,291,963)
Conditional contribution refundable advances	(2,255,984)	(1,995,879)
Subject to NPR's distribution policy, appropriation, and satisfaction of donor restrictions	(308,537,388)	(351,422,227)
Subject to when a specified event occurs: Charitable gift annuities	(290,838)	(136,541)
Restricted cash	(3,068,060)	(3,154,311)
Deferred employer social security taxes under the CARES Act required to be repaid	(2,750,014)	(5,631,212)
Employee health claims contractual funding obligation	(7,646,758)	(7,401,692)
Other	(1,204,358)	(1,289,743)
Board designations:		
For PRSS activities	(7,564,391)	(9,543,248)
Amounts constituting liquidity reserves	(75,449,833)	(89,863,223)
Financial assets available to meet general expenditure cash needs within one year	\$ 122,870,641	\$ 119,174,659

Although the above liquidity analysis excludes board-designated amounts set aside for long-term investing, those resources could, after action by the NPR Inc. Board and Foundation Board, be used to support general expenditures. Furthermore, in the event of an unanticipated liquidity need, NPR Inc. could draw upon a line of credit totaling \$50 million (see Note 7(B)).

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 14—Related Party Transactions

During 2022 and 2021, NPR Inc. received contributions from the NPR Inc. Board and Foundation members totaling \$1,787,768 and \$700,198, respectively. These amounts do not include contributions received because of NPR Inc. Board and Foundation Board members recommending one or more distributions by a donor-advised fund, private foundation, or similar entity in lieu of direct donor payment.

NPM conducts activities on behalf of and with GBH. During 2022 and 2021, the percentage of NPM's gross billings placed with GBH totaled two percent and one percent, respectively. As of September 30, 2022 and 2021, the percentage of NPM's accounts payable owed to GBH was one percent, respectively. GBH is a member of the PMI Network (see discussion in Note 3(A)).

Note 15—Noncontrolling Interest

Noncontrolling interest on the Consolidated Balance Sheets consists of capital contributed by GBH and PBS adjusted by net income (loss) and after reductions for distributed capital. Net income (loss) is allocated as defined in the NPM limited liability company agreement, as amended. Future liquidations, if any, are proportionate to the extent of either GBH's or PBS' positive capital balances. The following table presents a roll-forward of noncontrolling interest for 2022 and 2021:

	GBH	PBS	Total
October 1, 2020, balance	\$ 712,764	\$ 631,515	\$ 1,344,279
Plus: Share of NPM net income for the year ended September 30, 2021	46,430	25,794	72,224
Minus: Distribution to members in 2021	(82,800)	(46,000)	(128,800)
September 30, 2021, balance	676,394	611,309	1,287,703
Plus: Share of NPM net income for the year ended September 30, 2022	128	71	199
Minus: Distribution to members in 2022	(54,000)	(30,000)	(84,000)
September 30, 2022, balance	\$ 622,522	\$ 581,380	\$ 1,203,902

Note 16—Nonrecurring Fair Value Measurements

NPR's financial instruments that are not measured at fair value on a recurring basis as of September 30, 2022 and 2021, consisted of the following: accounts and pledges receivable; prepaid expenses and other assets; accounts payable and accrued expenses; accrued compensation, benefits, and taxes; acquired programming obligations; deferred revenue, accrued interest payable; and other liabilities.

The fair value of the following approximates the carrying amount due to the standard terms and relatively short maturity of the financial instruments: accounts and pledges receivable; prepaid expenses and other assets; accounts payable and accrued expenses; accrued compensation, benefits, and taxes; acquired programming obligations; deferred revenue, accrued interest payable; and other liabilities. The carrying amount represents the amount at which the financial instrument is recorded on NPR's books. The fair value is the estimated amount at which an instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

National Public Radio, Inc.

Notes to Consolidated Financial Statements

Note 16—Nonrecurring Fair Value Measurements (Continued)

The following tables present the carrying amounts and the estimated fair values of NPR's remaining financial instruments:

<i>September 30, 2022</i>	Level in fair value hierarchy	Carrying Amount	Fair value
Pledges receivable ⁸	2	\$ 16,452,667	\$ 15,619,261
Bonds payable	2	\$ 185,680,000	\$ 145,284,017

<i>September 30, 2021</i>	Level in fair value hierarchy	Carrying Amount	Fair value
Pledges receivable ⁸	2	\$ 20,561,195	\$ 20,212,061
Bonds payable	2	\$ 188,980,000	\$ 198,254,485

NPR's fair value estimation methodology is:

- **Pledges receivable**—The fair value of pledges to be received within one year approximates the carrying amount due to the relatively short maturity of these financial instruments. Receivables for pledges to be received after one year are initially recorded using the present value of future cash flows, discounted using risk-free rates that approximate U.S. Treasury borrowing rates at the time of the gift for the respective periods of contribution. The estimated fair value of the pledges to be received after one year reflects the present value of the future cash flows using risk-free rates that approximate U.S. Treasury borrowing rates at the end of fiscal years 2022 and 2021, for the respective remaining pledge payment period.
- **Bonds payable**—NPR Inc. utilized a financial services company to determine the fair value of the bonds payable (see Note 7(A)). The estimated fair value reflects current market values for bonds with similar maturities, credit quality, coupons, and call features. Management has analyzed the estimates, assumed credit quality, call features, and cash flow data provided by the third party and concluded these estimates appropriately present the fair value of the bonds payable.

⁸ The carrying amount of pledges receivable represents gross pledges receivable less the discount to present value.

Supplementary Information

National Public Radio, Inc. (Parent Company Only)

Supplemental Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 2,273,978	\$ 8,264,616
Restricted cash	2,903,435	2,828,009
Accounts receivable, net	37,429,013	40,322,727
Pledges receivable, net	16,252,355	20,322,494
Investments	132,107,916	135,449,250
Property and equipment, net	199,750,381	199,339,399
Operating lease right-of-use assets	5,513,455	6,285,394
Prepaid expenses and other assets	9,090,791	6,249,377
Investment in NPR Asset Holding Company, Inc.	4,377,390	4,899,514
Total assets	\$ 409,698,714	\$ 423,960,780
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 11,754,936	\$ 9,360,219
Accrued compensation, benefits, and taxes	18,238,983	21,543,664
Acquired programming obligations	3,591,392	5,114,939
Deferred revenue	23,970,520	22,172,317
Due to subsidiaries	10,437,978	10,942,068
Accrued interest payable	2,803,767	2,827,494
Other liabilities	2,909,181	2,173,219
Conditional contribution refundable advances	2,255,984	1,995,879
Operating lease liabilities	7,097,181	7,649,054
Bonds payable	185,680,000	188,980,000
Total liabilities	268,739,922	272,758,853
Net assets		
Net assets without donor restrictions	116,808,338	120,506,334
Net assets with donor restrictions	24,150,454	30,695,593
Total net assets	140,958,792	151,201,927
Total liabilities and net assets	\$ 409,698,714	\$ 423,960,780

See independent auditor's report under "Other Matters: Supplementary Information."

National Public Radio, Inc. (Parent Company Only)

Supplemental Statements of Activities

<i>Years ended September 30,</i>	2022	2021
Changes in net assets without donor restrictions		
Operating revenues		
Core and other programming fees	\$ 93,289,053	\$ 90,406,977
Corporate sponsorships	135,124,349	121,744,823
Contributions:		
Contributions of cash and other financial assets ⁹	26,294,854	24,363,355
Net assets released from donor restrictions	15,572,650	15,863,764
Total contributions	41,867,504	40,227,119
NPR Foundation board-designated and endowment support distributions	13,266,931	13,138,721
Satellite interconnection and distribution	12,154,306	14,434,640
Use of current year net investment returns for operations	1,305,295	557,900
Contributions of nonfinancial assets	2,357,919	2,579,597
Other	17,374,366	9,877,813
Total operating revenues	316,739,723	292,967,590
Operating expenses		
Program services:		
Content	161,076,501	139,999,702
Digital and other content support activities	30,079,510	26,684,808
Satellite interconnection and distribution	15,250,296	15,803,109
Other	3,976,748	3,494,450
Total program services	210,383,055	185,982,069
Support services:		
General and administrative	82,988,629	72,998,684
Fundraising	5,352,921	5,219,879
Total support services	88,341,550	78,218,563
Total operating expenses	298,724,605	264,200,632
Operating surplus	18,015,118	28,766,958
Nonoperating activities		
Return on investments, net	(8,112,367)	8,017,932
Change in investment in subsidiary	(522,125)	(305,864)
Interest expense	(5,630,785)	(2,827,472)
Depreciation and amortization	(7,718,346)	(8,487,404)
Other, net	270,509	(109,002)
Total nonoperating activities	(21,713,114)	(3,711,810)
(Decrease) increase in net assets without donor restrictions	\$ (3,697,996)	\$ 25,055,148

Continued on the next page

⁹ In 2022 and 2021, NPR Inc. recorded "Contributions of cash and other financial assets" revenue in net assets without donor restrictions from grants awarded by the following federal agencies totaling:

<i>Years ended September 30,</i>	2022	2021
National Endowment for the Arts	\$ 80,000	\$ 84,500

National Public Radio, Inc. (Parent Company Only)

Supplemental Statements of Activities (Continued)

<i>Years ended September 30,</i>	2022	2021
Changes in net assets with donor restrictions		
Contributions of cash and other financial assets	\$ 9,001,455	\$ 14,820,728
Split-interest agreement contributions	178,020	-
Return on investments, net	(151,964)	168,570
Net assets released from donor restrictions	(15,572,650)	(15,863,764)
Decrease in net assets with donor restrictions	(6,545,139)	(874,466)
Change in net assets	(10,243,135)	24,180,682
Net assets, beginning of year	151,201,927	127,021,245
Net assets, end of year	\$ 140,958,792	\$ 151,201,927

See independent auditor's report under "Other Matters: Supplementary Information."

NPR Foundation
Supplemental Balance Sheets

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 67,718	\$ 2,645,322
Pledges receivable, net	15,659	1,201
Investments	358,820,361	398,395,268
Due from NPR Inc.	9,890,805	8,964,600
Total assets	\$ 368,794,543	\$ 410,006,391
Liabilities and Net Assets		
Liabilities	\$ 49,608	\$ 87,964
Net assets		
Net assets without donor restrictions	28,172,812	31,657,562
Net assets with donor restrictions	340,572,123	378,260,865
Total net assets	368,744,935	409,918,427
Total liabilities and net assets	\$ 368,794,543	\$ 410,006,391

See independent auditor's report under "Other Matters: Supplementary Information."

NPR Foundation

Supplemental Statements of Activities

<i>Years ended September 30,</i>	2022	2021
Changes in net assets without donor restrictions		
Revenues, gains, and other support		
Contributions of cash and other financial assets	\$ 3,542,735	\$ 3,482,746
Return on investments, net	(2,211,456)	6,049,580
Net assets released from donor restrictions	12,397,950	12,521,466
Total revenues, gains, and other support	13,729,229	22,053,792
Expenses		
Transferred to NPR Inc.:		
Annual support	3,667,670	3,828,090
Board-designated and endowment support	13,266,931	13,138,721
Compensation, taxes, and benefits	52,639	96,273
Miscellaneous contracted services	100,379	95,787
Connectivity, supplies, postage, and other office expenses	1,709	1,333
Facility lease, utilities, taxes, and related expenses	3,319	8,628
Marketing	2,671	3,810
Travel, conferences, meetings, and events	103,982	-
Other	14,679	26,479
Total expenses	17,213,979	17,199,121
(Decrease) increase in net assets without donor restrictions	(3,484,750)	4,854,671
Changes in net assets with donor restrictions		
Contributions of cash and other financial assets	2,314,110	233,079
Return on investments, net	(27,604,902)	73,701,452
Net assets released from donor restrictions	(12,397,950)	(12,521,466)
(Decrease) increase in net assets with donor restrictions	(37,688,742)	61,413,065
Change in net assets	(41,173,492)	66,267,736
Net assets, beginning of year	409,918,427	343,650,691
Net assets, end of year	\$ 368,744,935	\$ 409,918,427

See independent auditor's report under "Other Matters: Supplementary Information."